
REPORT AND DOCUMENTS

RELATING TO

THE LOAN OF ONE MILLION FIVE HUNDRED
THOUSAND DOLLARS,

NEGOTIATED BY

THE HON. RICHARD RUSH

FOR

THE CITIES OF WASHINGTON, GEORGETOWN, AND ALEXANDRIA,
IN THE DISTRICT OF COLUMBIA.

LETTER AND ACCOMPANYING DOCUMENTS

FROM

THE HON. RICHARD RUSH

TO

JOSEPH GALES, ESQ., MAYOR OF THE CITY
OF WASHINGTON;

RESPECTING THE

LOAN OF A MILLION AND A HALF OF DOLLARS,

NEGOTIATED BY THE FORMER, IN EUROPE,

FOR

THE SAID CITY AND THE TOWNS OF GEORGETOWN
AND ALEXANDRIA,

UNDER THE AUTHORITY OF

AN ACT OF CONGRESS OF THE UNITED STATES,

PASSED ON THE 24th OF MAY, 1828.

PUBLISHED BY ORDER OF THE CORPORATION OF THE
CITY OF WASHINGTON.

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LETTER

FROM

THE HON. RICHARD RUSH.

No. 7.

LONDON, November 25th, 1829.

Sir: I am now finally to report to you, with the necessary fulness, the endeavors I have used for negotiating the loan of a million and a half dollars for the three towns of the District of Columbia. In the performance of this duty, it is a source of great satisfaction to me to commence by saying that my endeavors have at length proved successful, the money having been raised in Holland, and at a rate of interest under the limit prescribed by the law.

I set out by speaking of the whole loan. This I must necessarily do, for, from the beginning, I found that it would not answer to separate the case of the towns one from another. Nobody, here or in Holland, who contemplated a connexion with the loan at all, would listen to such a course. The whole subject rested upon one and the same act of Congress, and the entire sum wanted was already too small, as several capitalists said to me, to form a current stock of any temptation in amount, in these markets. Any division of the transaction would have increased this objection, whilst it would have tended also to make more complicated what was considered as too much

so, even when taken as a whole. Nor could I, it is manifest, entertain a thought of trying to obtain any better terms for one town than another, claiming, as I did, for each, the fullest credit. The least attempt of that kind would have been full of hazard, and might have proved fatal to the whole plan. Nothing was more apparent, than that the cause of the towns as entrusted to me on this side of the Atlantic, was to rise or fall together. Hence, in drawing up this report, I must speak of this loan as one undivided operation. Such was the course of my proceedings throughout, and such the way in which the loan has been obtained. Each town contracts, it is true, only for its own proper amount of the sum raised ; but the terms and conditions in all other respects are common to each, without discrimination. Hence, also, I have not been able to follow minutely the separate instructions of each town. This would not have been possible, because the instructions varied from each other, whilst I was forced to move upon one basis. My departures will be found, I trust, to have been only in immaterial particulars ; and, indispensable as they were to success in the main object, they will, I persuade myself, be sanctioned by the towns as conformable to the true spirit of their wishes.

On my first arrival in London, after some preliminary inquiries, including amongst them the state of the money market, which I found not very favorable to my object, I deemed it proper, on all accounts, to make my first direct approach to the house of the Messieurs Barings. The loan being authorized by Congress, and the security marked out by that national

body, this house, as the bankers of the United States, seemed the one which I ought naturally to go to, first; apart from their letter to the Treasury Department, of the 13th January, 1829, on the subject of the loan. This letter, with a copy of which the Corporation of Washington was, I believe, furnished, although it contained no explicit engagement on the part of the Messieurs Barings, appeared to have created an expectation that their house would connect itself with the loan, if not take it all, provided they could have it upon the terms stated in that letter. Accordingly, on the 5th of June I addressed a letter to them (marked 1, in the enclosures) informing them of my arrival, and asking an interview. I enclosed in it the letter to their address (marked A) of the 18th of April, with which the Secretary of the Treasury, at the instance of the towns, had furnished me; and also a document that had been given to me at the Department of State prior to my leaving Washington. The latter was merely in the light of a passport, but had a bearing upon the case from its stating officially the fact of my coming here on public business that concerned the towns, and because it described them as under the exclusive jurisdiction of the National Government. I received their answer (No. 2) fixing a time for the interview, and on the 10th of June two of the members of the firm waited upon me at my lodgings in the Regent's Park. Discussions passed on the whole subject of the loan. They put various questions touching the validity of the security; the ability of the towns to pay the sum wanted; the meaning of particular clauses in the law of Congress

of the 24th of May, 1828, especially as regarded the instrumentality of the President in expounding and enforcing the law, should it prove necessary ; and in short examined the whole matter with the caution that it might be supposed would characterise intelligent and experienced capitalists on such an occasion. I endeavored to give them satisfaction on every point. Wishing to consult brevity as far as may be compatible with a distinct account of my proceedings, I will not swell this report by repeating the facts or considerations that I urged as recommendatory of the loan, but leave them to be inferred from the general tenor of the paper transmitted with my communication to the towns, of the 8th of September.* The interview lasted between two and three hours, and terminated without either of the partners having disclosed their intentions. I exhibited to them such documents as the discussion called for, and we separated with an understanding that the subject would be resumed. It was resumed, not in any formal or set interview, at this stage of the negotiation ; but in conversations with individual members of the firm. In the course of these, coupled with the interview above described, they appeared to have viewed the subject under all its aspects ; still, without expressing an opinion, though certainly not without intimating, by the drift of their remarks and interrogatories, divers objections to the whole operation. After the lapse of a proper time, I drew up, on the 18th of June, a letter to the firm, (No. 3) that I might ascertain distinctly their views. I stated in it, amongst other things, my wish to afford

* See page 37.

them any further light that they might desire; but invited them, in a spirit of entire frankness, to make me an offer, if they required no further. After what had passed, I formed no sanguine expectations as to the character of their offer; but one, of some kind, I had nevertheless anticipated, from my remembrance of their letter to the Treasury Department. On the day following, one of the firm called upon me, and imparted the decision of the house. It was, for the reasons that he assigned, not to make any offer for the loan. Requesting to be favored with their decision in writing, I received from them the letter (No. 4) of the 22nd of June. It will be seen that their determination not to become contractors, rested mainly upon their apprehensions that the stock would not be acceptable to the public here, from the nature of the security, whatever their own opinion of it; and that they inferred this the more strongly, from the fact of certain local stocks from the United States, already in this market, being so little acceptable. I regretted their decision the more from the fear of its effect upon others, as well from their high standing, as on account of their long and well known connexions of business with the United States.

I will now speak of proceedings in another quarter. On reaching London, I found to my address various communicatious from Mr. Willink, of Amsterdam, long the banker of the United States in that city. I do not transmit copies of them, because they were but duplicates, the originals having been sent to the Treasury Dcpartement, where I take it for granted they must have arrived after I came away, and the

contents become known to the towns. Should this not have been the case, it is still unnecessary for me to send copies, as the whole substance of them merely came to this ;—that the loan could not, in his opinion, be obtained in Holland, under the present law ; but that if the United States would guarantee it formally, the money might be raised there, at an interest of five per cent, with certain additional allowances for commissions, bonus, and expenses, amounting to about three per cent. I replied to Mr. Willink on the 8th of June, (No. 5.) stating that it was only under the present law of May the 24th, 1828, that I could treat. I received a further letter from him (No. 6.) in which he speaks very confidently of the impossibility of negotiating the loan in Holland at all, under that law, and in which he anticipates the same issue in England. My information from Holland at about the period of receiving the Messieurs Baring's adverse determination, was different. So, notwithstanding the discouraging representations of Mr Willink, I resolved to go there, and look around for myself. I considered it however of importance to make further efforts in London before I went, since to have been preceded by the rumour of total failure here, would have been a new and heavy obstacle in my way there. I determined before going, to try Mr. Rothschild. I was enabled to do so with advantage, through the house of Messieurs Gowan and Marx ; a house well known to me, and much engaged in the American trade. Mr. Marx, of this firm, saw Mr. Rothschild on my behalf and explained to him the nature of the loan, of which Mr. Marx himself entirely approved. His

explanations prevailed with Mr. Rothschild, who expressed his willingness to take one third or one half of the loan, if any capitalist in London, in connexion with the United States, to whose institutions and interests he, Mr. Rothschild had hitherto in a great measure been a stranger, would lead the way by taking an equal amount. Under this information, I waited on Mr. Alexander Baring, at his residence in Piccadilly. The letter of his house of the 22d of June, was in some respects, in a spirit not repulsive to my object, but rather with the infusion of another tone; which led me to imagine that they might perhaps come into it, in conjunction with others, though declining it as one presented wholly to themselves. With Mr. Baring, as the head of the house, I had a conversation on this footing. He admitted that it presented the case under a new aspect, but forbore any opinion, until he could see his partners, with some one of whom he said he would shortly call upon me. He came accordingly, with one of them, on the 28th of June, when the whole subject was discussed anew in an interview that was prolonged to nearly four hours. Maps and other documents were inspected; the existing law very closely scrutinized; and every consideration that could affect the loan, carefully and fully weighed. Objections were pressed, and no keenness of desire shown by them, I must own, to have any contact with the measure. But in the end Mr. Baring said, that if I did nothing in Holland, I should not find him unwilling; for his own part, to take up the subject when I returned, on the new basis made known. The terms he added must

be no other, for we had talked of a five per cent. stock at 90, than those contained in the letter of his house to the Treasury Department, namely the maximum rate of interest under the law ; in other words, a six per cent. stock at par. I had not, at this epoch, mentioned Mr. Rothschild's name, not feeling myself warranted ; but said that the house which I believed would thus co-operate, was one of undoubted power to act with full effect. This Mr. Baring intimated would be expected.

Although, certainly, no irrevocable pledge was passed in the foregoing interview, yet such an impression was made upon me of the intention of their house to take a share of the loan (the very terms being given out) on the ground of another doing the same, that my only remaining concern was, at not being equally sure of the other party. Under this apprehension, I again saw Mr. Marx, who repeated his belief as to Mr. Rothschild. But at my wish he saw him once more, on the day before my departure for Holland, and wrote me the note (No. 7.) of the seventh of July, confirming all his verbal assurances.

I thus left London under the belief that the loan was obtainable here, at six per cent., and said so at Amsterdam, on proper occasions. Had only two thirds been taken by the Messieurs Barings and Mr. Rothschild, nobody doubted but that the remaining third would have gone off directly. The house of Messieurs Gowan and Marx were ready to have taken a sixth of the whole ; though from no other American house, could I obtain an offer of co-operation. I believed, from an early day after my arrival,

that it would be out of the question to get the loan off in London at less than 6 per cent. through any other houses than those of Messrs. Baring and Rothschild, admitting that it could be negotiated at all through any others.

I took with me to Holland letters to several of the first capitalists of that country; amongst them, the Hopes, the Crommelins, the Labouchers, the Brawnsbergs, the Insingers. I found, on reaching Amsterdam, that the Crommelins were those with whom I could best treat. I may say, more strongly, that my only prospect of achieving any results promising to be at all satisfactory, was with them, or through their instrumentality. Their house is one of long standing, and of leading wealth and influence. It is also, at present, the house in Holland most largely engaged in the American trade. I need scarcely add, that for commercial integrity and honor, no house in Europe stands higher. With the members of this house, I had constant intercourse at Amsterdam, and fully laid my whole project before them. It was discussed amply. They made themselves masters of the subject, but invariably declined making me an offer upon any terms, on their own account. Their information also satisfied me, that, under the existing act of Congress, I could get no positive offer from any house in Holland. They were themselves however willing, on certain prerequisites being settled to their satisfaction, to take the loan in hand, and endeavour to sell it in the market at 5 1-2 per cent., at the risk of the towns, as mentioned in my letter to you of the 24th of July, from Amsterdam; the Mes-

sieurs Crommelins being the house to which I then alluded. I declined their proposal, thinking it safer and better to dispose of it absolutely at six per cent. in London, which I believed I could do. I requested these gentlemen to favor me with their views in writing, which they did in two letters (No. 8, and No. 9,) of the 22d of July. I beg to invite your particular attention to the letter marked confidential. Though so marked at the time, it is no longer considered in that light, the motive being at an end. It will be perceived from this letter how many scruples this house had at going into the measure even in the manner they had themselves proposed, and how much they required from me in the way of removing those scruples, before they were to be considered as consenting. Upon some of their points, I was not even sure that I should be able to afford them satisfaction. Nevertheless, I deemed it judicious to reply to their letters without then noticing those parts; and so to write to them also as to leave the way open and easy to a renewal of the negotiation between us, should circumstances dictate its expediency. My letter (No. 10,) of the 23d of July, written on the eve of my departure from Amsterdam, was carefully shaped in these feelings. I had various objections to their proposal, to say nothing of the difficulties that might arise under their letter in question, as long as I had the belief that I could effect a clear and absolute sale of the loan in London, at a rate that the law would sanction; but it assumed a different aspect in my eyes under any possible frustration of that belief. In that case I had determined to take up their proposal, and see how I could best deal with it.

Leaving Amsterdam, I went to Paris. Being on the continent, I thought that it might be worth while to include that city in my range, though without much expectation that any thing could be achieved there. It turned out so. I had letters to the Laffittes, the Hottinguers, the Delesserts; but forbore to lay my plan before any of them, having ascertained beforehand, through the most intelligent sources, that it would obviously be to no purpose. The hope of success in Paris was, in fact, regarded as visionary, after the obstacles that were found to exist in London and Amsterdam—always the abode of money-lenders in a degree far greater than Paris. Amongst others who favored me with their explicit and valuable opinions to this effect, was our late minister in Paris, Mr. Brown.

I must use this occasion to bear testimony also to the friendly offices in all ways that I received from Mr. Hughes, while in Holland, our Charge d’Affaires in that country. Nothing could surpass the zeal with which he aided me in pleading the cause of the towns on every fit occasion. From Mr. Barbour too, late minister here, I received every assistance that he could afford; and an immediate tender of like assistance from his successor, Mr. McLane, as soon as he arrived.

Getting back to London in August, I had to regret that Mr. Marx was, at the moment, away. My first object was to learn how Mr. Rothschild stood, my fear of change being principally in that quarter. I was happy to find the general state of the money market not adverse to me at this period, the payment of the

July dividends on the public securities, having thrown money more abundantly into circulation. Designing to see Mr. Rothschild at once, I addressed myself to Mr. Shaw, of the house of Messieurs Thomas Wilson and company, a house largely engaged in the American trade. This house declared, at the very outset, with perfect candor, that they would have no concern whatever in the loan, on their own account; but Mr. Shaw manifested every readiness to aid me in my operations with others. I learned from him, that Mr. Rothschild, at this juncture, was disinclined to take any share in it; but that he would perhaps take the whole, if Congress would give a direct guarantee. After some disappointments, from Mr. Rothschild's numerous engagements, I at length had an interview with him on the 19th of August. I found him, as hinted, disposed to start objections to the present law, which I endeavored to remove in the conversation that passed between us. But he was so much pressed by other concerns; there was such a multitude, too, thronging his anti-chamber, that I requested he would allow me to present my whole case to him upon paper, that he might look at it at his own convenience. He approved of and encouraged this course, and I left him with the understanding that it should be adopted. It was then that I drew up the paper that accompanied my letter to you of the 8th of September. In the preparation of it, I aimed not only at removing the objections that appeared to be entering Mr. Rothschild's mind, but had also special reference to those which had been made, more explicitly and fully, by the Messieurs Cromme-

lin's, in the letter from them to which I have ventured to call your attention. I transmitted the paper to Mr. Rothschild in its printed form, with a note (No. 11) on the 27th of August. He went to Paris a few days afterwards, as was understood, on some one of those financial projects in which, leagued with his brothers, he so often lends counsel and money to the potentates of Europe; but Mr. Shaw, on the 4th of September, stated to me his belief, that, however preferring the direct guarantee of Congress, he would still take a half or a third of the loan, if the Messieurs Barings would do the same. Mr. Shaw added that, to the latter I might freely make this representation. I forthwith wrote the letter, (No. 12,) to Mr. Baring, then at his country seat. I received his answer, (No. 13,) in which he postpones any decisive opinion until he could exchange an explanatory letter with his partners in London. I wrote again, (No. 14,) and received his final answer, (No. 15,) rejecting the whole plan. The rejection was unexpected. I had felt much confidence in the co-operation of that house. I was under the belief, and still am, that Mr. Baring, individually, not only thought well of the loan, (the spirit of his letters will, I think, show this,) but that his own inclination rather was to take it all. But he was unwilling, it appears, to go against the judgments of his "working partners," as he calls them, being out of the current of business himself. They, it seems, were afraid of the measure, as well from the nature of the security as from the heaviness with which certain stocks from Pennsylvania, Virginia, Ohio, and Louisiana, moved,

as was stated, in the English market. The objection to being united with others in the measure, as intimated in Mr. Baring's second letter, was new. It had not been made in the personal interviews before mentioned. The only ground-work of them, was co-operation. I could not otherwise, in propriety, have again approached that house, after their letter of refusal. It was by taking that new position that I was justified, as I thought, in the renewed application. Subsequently to Mr. Shaw's communication to me on the 4th of September, I had unequivocal assurances from other sources that Mr. Rothschild would have taken a share of the loan, if the Messieurs Barings had. Their refusal drove him away; nor could the former be prevailed upon to change their determination. I had transmitted the printed paper to them, and received their acknowledgment of it, (No. 16,) on the 7th of September.

The cause of the loan went down in London from this period. No efforts of mine could bear it up against the nearly universal refusals that it met with from the American houses. Some were satisfied with simply refusing, the common right of all; whilst others gave into expressions of disparagement concerning both the object of the loan and the security provided for it. Under such an aspect of things, English capitalists, who would otherwise, I think, have been disposed to come forward, fell back, like Mr. Rothschild. I could not overcome their distrust. To very many, I presented the case; to Mr. Goldsmid, of the Exchange buildings; to Sir Coutts Trotter, of the great banking house of the Coutts's; to Mr. Drum-

mond, of the well-known house of that name; to Mr. Smith of Grosvenor Square, of the house of Smiths, Payne and Smith; to Messieurs Overend Gurney and Company; to Sir Scrope Morland; to Messieurs Jones, Lloyd and Company, and to others almost without number. But all was to no purpose. From no one individual or house could I obtain an offer, upon any terms. All shunned it. This, too, at a season when the money market, from the peace between Russia and the Porte, had become peculiarly auspicious here; when almost all stocks had acquired new value; when capitalists, departing from the reserve which preceded the peace, were freely unlocking their treasures for new investment; and when the disposition, almost the eagerness among all classes, to enter new fields, was increased by the belief that several of the continental governments, if not the British also, were contemplating a reduction of the interest upon large portions of their respective debts. In the midst of these encouragements, which even made the South American *shares* of 1825, and the *Spanish bonds*, of the days of the constitution, start up a little from the depths to which they had long descended on the stock exchange, every body in London was afraid of our loan. The house of Gowan and Marx formed the single exception. It was in vain that I put forth a statute of the United States as its foundation; the taxable property of their metropolis and the two adjoining towns, as mortgaged for it; and the President of the United States as the protector and guardian of the creditors' rights, under both

mortgage and statute. The whole was in vain. The cause had sunk in London, totally.

Thus far, I have considered it proper to trace the narrative of the negotiation in the order in which it moved. It may not, perhaps, be wholly devoid of interest, and belongs to what is yet to follow, as marking my proceedings in their connected and entire train. I have desired to be as short as a proper exposition of the material circumstances and correspondence would allow. A great mass of private and informal notes that have passed during the summer and autumn, I omit, as not wishing to clog my report with what was inconclusive at the time, or has become irrelevant since. From as much as has been said, it is manifest that difficulties of some magnitude have attended the negotiation, some of which might possibly have been anticipated, though, not so readily, others. Believing the cause of the loan to be intrinsically good, my path has been a plain one;—that of continuing to maintain it against the strange errors of some, the discouraging doubts of others, and the coldness of all.

I now resume the history of my transactions in Holland. This will be both imparted and read with an interest of a different kind, as the transactions have been followed by the attainment of the object committed to my charge.

When it had become decisively known that the Messieurs Barings would have no concern with the loan upon any terms, either by themselves or with others, I determined to try again the Messieurs Crommelins. My former negotiation with them, as has been seen, had been left suspended, rather than closed.

Although they had declined making me any offer, by themselves, on the basis of an absolute sale of the stock, it seemed to me not altogether improbable that they might unite with Mr. Rothschild in such an offer. After, therefore, the lapse of a sufficient interval had convinced me that I should effect nothing in London, I addressed a letter (No. 17,) to them on the 18th of September, throwing out the proposal of such a co-operation. I had sent them, previously, the printed paper already mentioned, indulging the hope that it might remove the scruples contained in their confidential letter of the 24th of July, by meeting, as I had endeavored to make it do, the essential requisitions of that letter. Their first answer, (No. 18,) and their second, (No. 19,) followed speedily. In the first, they promise to take into consideration whether or not they could make me a positive offer as contractors, absolutely, for the loan.

In their second letter, they come to the conclusion that they still, as before, cannot make a positive offer. But they revive the proposition of connecting themselves with the loan, and endeavoring to sell it on commission, on account of the towns, provided all the certificates remained together. Their terms, they said, would be as follow, viz: 1. A five per cent. stock at 91 (afterwards 91 1-2) to be created; commission, bonus, brokerage, and expenses off; or the stock to be stated to be sold as much higher as these would amount to, and charged in account to the towns. 2. The foregoing charges not to place the borrowers at a higher rate of interest, calculated on the whole duration of the loan, than five and a half

per cent. per annum. 3. The interest to be paid at the Treasury of the United States, to such agent or attorney as the lenders may appoint; the principal to be reimbursed there in like manner. 4. Exchange to be guaranteed to the lenders, whenever it was in their favor; the borrowers having the benefit of it, when in theirs. 5. The loan to be for thirty years; but the reimbursement to begin in ten years from the first advance, and proceed at the rate of one twentieth a year, until the debt was paid off.

These were the general terms as at first stated in their letter, and an enclosure headed "Note" that was contained in it; or rather they were the terms as I recapitulated my understanding of them, in my answer. I had by this time a sufficient view of the ground upon which the loan stood, both here and in Holland, to determine to accept them, as the general terms. I did so, subject to such further explanations between us as might be necessary; taking care that the corporations were to lose nothing by thus trying to dispose of the loan in the market, if the experiment failed. My letter (No. 20,) of the 29th of September, expressed my general assent. I moreover stated, that if the loan were raised, the towns would not want the whole sum at once, but in instalments, the last of which to be paid on the first of January, 1832, or at any rate not sooner than the first of January, 1831, and that no interest was to commence until the first instalment was paid. Referring to the present form of the certificates, which I knew had been much objected to here, I also, to guard in advance against any stumbling-block from that cause in

Amsterdam, proposed a mode of curing the objection, should it be made, as explained in my letter, and the paper A 2, that was enclosed. I sent one of the certificates, that the form might be inspected. Their next letter, (No. 21,) informed me that the price of 91 was not meant to cover their own commission on payments of interest and principal; and requested also that I would send them my powers to act on behalf of the towns. Then came their letter, (No. 22,) giving me to understand that they were preparing, under legal advice, the draft of the agreement or bond that must be passed between us; further, that their counsel had started some legal objections under the act of Congress authorizing the loan, particularly as to the towns guaranteeing exchange, which they requested me to notice, and also that I would send them a legal copy of the act. My letter in reply, (No. 23,) obviated their legal doubts, and answered other matters which their letters had embraced. I transmitted them my full powers, with authenticated copies of the acts of Congress, and other documents which are recapitulated in my letter.

With their next letter, (No. 24,) they forwarded two instruments or conventions, the one public, the other of a more private nature; each, if approved, to be signed and executed by me in due form as representing the towns, and by themselves as the bankers of the loan. They stated that the matter was intricate and to be of long duration; that many things were to be provided for in the conventions that were either enjoined by law or recommended by custom; that the substance of them did not differ from the

terms that had been mentioned, but that in bringing the whole matter upon paper, the forms had to undergo modification, and that they had been forced also to pay regard to the form which the documents would assume when again turned into Dutch. They added, that the succeeding mail would bring me some explanatory remarks upon both instruments. I acknowledged the receipt of the conventions (No. 25,) on the day that they were received, saying that I had read them over, but that they would require a deliberate examination before I could come to any judgment upon their contents. That this they should have, in connexion with the explanatory remarks promised, for which I would wait. These remarks reached me with their letter (No. 26,) of the 20th of October. In this letter they state that they had made an important alteration in the plan. That in the first draft of the Instruments, they had looked to a public subscription for selling the stock ; whereas, they had now come to a conclusion to do it by private subscription. The latter they said would be likely to act more safely and quickly, and would increase the chances of disposing of the stock. This mode I greatly preferred. By thus acting among their own friends assembled at their own counting-house, not only would the chances of success be increased as they said, but, what I considered material, the dignity of the towns would be saved from the consequences of a failure to raise the money by public subscription. Upon such a contingency it was but the part of prudence to keep an eye. The loan had already been declined by the bankers of the United

States here, and I had reason to believe that, if publicly offered, it would be opposed by the bankers of the United States in Amsterdam. This fundamental change in the plan, increased, very much, my dispositions to look favorably upon all the other arrangements proposed by the conventions. Some further changes were introduced, as their explanatory remarks will show, marked D and E, among the documents transmitted.

The public convention consists of fifteen articles. In their leading points, they may be thus summarily noticed. After a preamble, the first article provides, that the subscription is to go for nothing, unless sanctioned by the king of the Netherlands. This sanction, stated in the correspondence to be an indispensable pre-requisite, has since been obtained. By the second article, the Messieurs Crommelins are to issue their own bonds, 3750 in number, for 1000 florins or guilders each, this sum corresponding in amount, valuing a dollar at 250 cents Netherlands currency, with the aggregate sum of a million and a half of dollars, as at present expressed on the face of the certificates. By the third, the holders of these bonds are to be the true creditors of the towns. By the fourth the bonds are to bear an interest of five per cent. payable in Amsterdam, half yearly, at the counting-house of the Messieurs Crommelins. By the fifth, the lenders are to pay up their subscriptions, one half in the month of January, 1830, the other in July following, receiving interest from the first of each month. By the sixth, the reimbursement is to begin in 1841, and proceed at the rate of one-twentieth annually, until the whole is paid off. [Altered after-

wards to one-twenty-fifth, making the average duration of the loan between twenty-two and twenty-three years.] The seventh arranges the form in which the bonds are to be paid off. The eighth that of filling up the blanks in the certificates, which are to be made due to the trustees of the proprietors of the stock, bearing an interest of 5 1-2 per cent., and reimbursable as the bonds; the bonds being derived from the certificates. By the ninth, the certificates, so filled up, are to be deposited at the domicilium of a public notary at Amsterdam, under the forms stated. By the tenth and eleventh, the trustees are to receive, by their proper agent or attorney, from the treasury at Washington, all sums due under the certificates, interest and principal. The tenth also provides for keeping alive the trust, during the whole time that the loan has to run. By the twelfth, the remittances are to be made in Netherlands currency, the lenders having the benefit of exchange, or the borrowers, according as the exchange may be at the time the lenders to be at no risk in transmitting bills on account of shipwreck, failures, or otherwise. This article also provides for the keeping of an account current between the agent of the trustees and the towns, of all moneys paid and received. The thirteenth, provides for the mode of reimbursing, should the original certificates be lost at sea. The fourteenth gives the formal stipulations by which I, as the agent of the towns, bind them; and invests the lenders with the rights of the borrowers under the law, upon the stock of the Chesapeake and Ohio Canal. The fifteenth embodies the formal conclusion.

The private convention comprises twelve articles. The preamble recites that the Messieurs Crommelins having entered into the public convention as bankers of the loan, further agreements, which do not concern the public, are necessary as between them and the towns, through me as their representative. The first article provides for the opening of the subscription at their counting house, as soon as the sanction of the king was obtained. The second, that the loan was to be considered as made, though the whole amount was not subscribed, provided three fourths were. This article, together with the provisions of articles 3, 5, and 6, are superseded by the fact of the whole having been subscribed. I approved of them had the issue been otherwise. The fourth article provides that the subscription to the nominal capital stock of 3,750,000 guilders, would be offered to the public at 96, the whole when received to appear to the credit of the towns on the books of the Messieurs Crommelins at the price of ninety-six ; subject to a deduction out of the last instalment of 4 1-2 per cent. on the whole, which they are to bring in account with the towns for expenses of petitioning, brokerage, registration dues, stamps, paper, printing, lawyers' fees, and all other expenses required for the creation of the loan. The seventh article is connected with the preceding, but said to be only for greater caution, there being no danger that the national revenue in Holland will make any further demands than those which have fixed the expenses in article 4, calculated under laws that now exist. The eighth article provides that the lenders are to retain out of

the last instalment a sum sufficient to pay the dividends of interest that will be due on the first of July, 1830, and on the first of January, 1831. The ninth contains certain provisions respecting remittances; amongst them, that should it ever so happen that the towns, through inevitable casualty in the transmission of bills, have not their funds ready in Amsterdam to meet their obligations punctually, and the Messieurs Crommelins think fit to advance money for the honor of the towns, that they are to charge five per cent. interest on such advances, and an extra commission of one per cent. upon them. The tenth provides that the amount of the loan which will stand to the credit of the towns on the first of January, 1830, and the first of July, 1830, may be drawn for as they see proper. The eleventh offers the towns an option that is described, as to the mode of drawing. The twelfth and last secures to the Messieurs Crommelins a commission of one per cent. on the payments of interest, and one per cent. upon the reimbursement of the principal. It also entitles them to charge in account with the towns all their actually paid expenses of postages, brokerages, and stamps on remittances; with the cost of advertisements, and other similar small expenses necessary to the due performance of their obligations under the loan.

The length to which this report has already unavoidably extended in the hope of making it fully intelligible, must restrain me from entering upon any analysis of all the various articles of these conventions. Nor is it necessary that I should, as they will better speak for themselves when read, each in its own

details. But some general remarks at this critical point of the subject, may not only aid in placing it in its true light, but seem due to the highly delicate and important nature of the trust confided to my sole responsibility whilst here in Europe.

On a full examination of the articles, I saw nothing in any of them the means of complying with which were not possessed, or, as it seemed to me, might not be acquired, by the towns. It is as certain that some of them, in their present structure and meaning, did not please me. To the part that subjects the town to the payment of interest before they will have been in the actual enjoyment of the principal by a short interval, I felt objections. Equally did I disapprove of the part which will throw a loss upon the towns from the Messieurs Crommelins retaining 2 1-2 per cent. interest for the six months interest that will be due on 3,750,000 guilders from the first of July, 1830, to the first of January, 1831, whilst interest will also be running in the United States from the former period. I had prepared myself to urge and insist upon these objections. It will be seen that at the outset, viz. in my letter of the 29th of September, I had expressly stated that interest was not to commence until the day of paying the first instalment; by which I had assuredly meant, when the towns would have the benefit of the payment; nor had I contemplated their being at any other loss under this head. But on receiving their letter of the 20th of October, with their explanatory remarks, I did not believe that they would recede from their point in this particular. It will be observed in how

unequivocal a manner they take it, assigning their reasons. I should have accounted it wholly unwise, as well as unjustifiable in me, to have allowed the negotiation to break off on such a point; and nearly as much so to have thrown myself upon the hazards of a prolonged and argumentative correspondence in attempting to drive them from it, and with no rational hope of ultimate success. In the actual posture in which the fate of the loan stood, I judged it to be my true course to go on, looking steadfastly at broad results, and at them only, as long as I kept within the limit of the law. I did not think it belonged to any of the great interests that I had in charge, to let the negotiation be hinging upon small particulars. Prejudice and opposition had assailed it in London, and the apprehension that both might find their way to Holland, working their effect there too, warned me to be prompt. The cause I was entrusted with, however solid its foundations, with the intelligent and dispassionate who would examine into them, might have been upset by the whispers of ill-disposed persons in a single hour at Amsterdam. Such, as was well known to me, was its perilous predicament.

I could also have wished to have altered the part which stipulates for the advancement of the entire loan in such early instalments, viz. one on the first of January, the remainder on the first of July. My correspondence will show my intention of postponing them at least until April and October, if I could not obtain longer intervals, for which at first I had contended. But I did not consider this point either, as

at all vital ; and I believed that it would be in vain to press it, for when at Amsterdam in the summer, I perceived it to be one of which my correspondents were tenacious. They wanted to pay soon, that they might receive soon.

The stipulation that the borrowers are to be at all the risk in the transmission of bills, is universal in similar cases. Equally so, I am informed, is that by which the lenders are to retain out of the loan enough to cover the first dividends of interest, and all the commissions and expenses enumerated, as incident to the creation of the loan.

The engagement to pay 4 1-2 per cent. for the charges enumerated in the fourth article of the private convention, whilst the private subscribers have also a bonus of 4 per cent., and the Messieurs Crommelins a further commission of one per cent. on payments of interest, and the same on the reimbursements of the principal, may, in the aggregate, seem high. I should probably have thought so myself on first arriving in Europe to negotiate this loan ; but fuller inquiries and experience, lead me to think differently. The Messieurs Crommelins in their letter of the 20th of October, speak of all these terms and charges as “reasonable and moderate.” I am free to confess that they do not strike me, all things considered, as the reverse. Even the new five per cent. loan of the Russian government, negotiated in Amsterdam in the summer, and a favorite stock in that market, is supposed to have yielded but about 94. A loan of the Austrian government, of twenty-five millions of florins, (at 4 per cent.) taken since the treaty of

Adrianople, in September, by certain banking-houses in Vienna,* is said, and by many believed, to have been obtained by the contractors, at 77, although the newspapers sometimes state it at 86, and sometimes at 84. I have been informed that a five per cent. loan obtained by the Prussian government in this market a few years ago, and now in course of reimbursement, was taken at 78. I do not give these facts confidently, though I have taken pains to ascertain some of them. Irresponsible governments are under no obligation to blazon what they may sometimes choose to give in the shape of bonuses, commissions, or other doceurs, on the creation of loans. The great money-dealers know it, and it is often of their mystery that others should not. The loan that I was striving to effect was no favorite; was new in all its points abroad; was of a nature which, far from moving by its own attractions, had, so to speak, to be forced onward, step by step, by anxious efforts; requiring long, almost endless explanations, as it was successively laid before merchant after merchant, banker after banker, capitalist after capitalist. Something was due to capitalists of high standing like the Messieurs Cromelins, who, with good intelligence I admit, but with something of boldness and liberality too, would consent to become the sponsors of such an enterprise, after the reception it had met with from all in London, and from all, save themselves, in Amsterdam. They seemed the only house of high name not unwilling to trust to American faith and resources, as both were concentrated in a portion of territory un-

* Those of Rothschild, Geymuller, Arnstein and Sina.

der the express jurisdiction and fostering care of the government of the United States ; and as both were identified with this loan. The very bankers of that government in London, had silently turned away from it at six per cent, though under an offer of co-operation with others ; thus, by their high example, unavoidably frightening away others from an operation which it was seen they would not in any way touch. If there had been loans negotiated upon better terms, I was well advised that many had been done upon terms far less favorable. I saw that all the expenses summed up—bonus, commissions, charges, every thing—including loss of interest to the towns in the beginning, would not when diffused over the whole period that the loan was to run, amount to more than one half per cent. per annum, if to as much ; thus making the entire loan, in effect, one of five and a half per cent. per annum. Looking at the act of Congress of the 24th of May, 1823, I there read, that all these expenses might well have been justified, if the loan could not otherwise have been obtained, even under the creation of a six per cent. stock ; for the act, besides authorizing six per cent., explicitly declares that all the expenses attending the loan, may be paid for out of the proceeds of it.

Weighing all these considerations, I did not waver in coming to the conclusion. I determined to accept the conventions. I thought that it would be dangerous to lose time by either the reality or the show of hesitation. Secondary objections upon which as a controvertist I might have fastened, disappeared before the paramount ends which I believed the loan, if

accomplished, would secure. My decision was announced in my letter (No. 27,) of the 23d of October. I followed it up with another, (No. 28,) transmitting to the Messieurs Crommelins all the certificates, with a power of attorney (F) to themselves, to fill up the necessary blanks, according to the terms of the conventions. This step was indispensable to prevent a pause in the negotiation, and it will be perceived that the proper guards were introduced into the power. Their letter of October the 27th, (No. 29,) was the one which I next received. I hope that I do not affirm too much of the contents of this letter when I say, that they fully confirmed the expediency of my having acted with promptitude and decision upon the conventions, just as they were; for it appeared that the money market at Amsterdam was taking an unfavorable turn. So much was this the case that my correspondents intimated apprehensions, and their high reputation was the pledge with me, that they would have intimated none which they did not feel, that the subscription would scarcely succeed, unless I would consent to increase the bonus; and they plainly sounded me as to a postponement of the whole matter until the spring, or at all events until after new year. I would not consent (No. 30,) to any increase of the bonus, and I unequivocally put aside the idea of postponement. I should have considered the least postponement as equivalent to defeat, for from their letter it also appeared that actual opposition to the loan at Amsterdam was kept under only by keeping the subscription secret; and, truly, such a thing could not long have remained a secret. Hav-

ing taken my stand upon the terms as already arranged by the conventions, it was my purpose to maintain it. My correspondents seeing this, went on rapidly and in good faith with the experiment of disposing of the stock upon those terms. Successive letters continued to pass between us, numbered from 31 to 42, their number 35 informing me that the private subscription had been closed, and that all the stock was taken. The hope of success had, it seems, become faint, whilst the operation was in course of trial; but we fell upon a good moment; the money market took another turn—it was a turn in our favor—and all ended well. Their number 39 announced the king's consent to our conventions. Anxious to bring this Report to a close, I do not stop to recapitulate the matter of the other letters, begging leave to refer to them in the series as they are stated. I cannot however avoid saying, that of the reports alluded to in their number 41, calculated to destroy the public subscription to the stock, held in Amsterdam on the 20th instant, one set came from Mr. Willink; and the other, as I believe, from the Messieurs Hopes, the intimate correspondents of the Messieurs Barings. A regret will be felt, that the effect of these reports, if they have any, would be to lessen the value of the stock in the hands of the Messieurs Crommelins and others to whom it now belongs.

Upon the whole result of the negotiation, I venture to offer to the towns my respectful and cordial congratulations. It opens to them new and auspicious prospects. They have had difficulties to make head against, but the day of being baffled by them seems

now passed. They have labored under unfounded suspicions, which will cease to circulate. Even in foreign atmospheres these will die away, under the influence of the event that I announce. Above all, I regard the event in connexion with its happy influence upon the Chesapeake and Ohio Canal. It puts an efficient hand to the progress of that great work ; so eminently national in its final aim, and so immediately precious to the towns. By giving activity to the other subscriptions, it places the company in certain possession of three millions and a half of dollars, thereby putting the seal to the full completion of the work as far as Cumberland. I speak with the more confidence on this head, for, admitting that this sum should fall short in any inconsiderable amount of the sum required to carry it to that point, I am at present in the confident belief that the towns may obtain in Europe, should they desire it, the necessary balance ; and this without the obstacles, in a second attempt, that have encompassed on all sides the first. Than the individual to whom this first attempt was confided, they will never find a servant more zealous or more faithful ; but I rejoice to think that another may find his way more smooth. By the punctual fulfilment of their obligations under the loan just made, they will have an opportunity of establishing in Amsterdam, if not elsewhere, a credit for themselves ; a credit upon the basis of their own resources and their own faith—a credit that will hereafter look down all injurious misconceptions. That they will so fulfil their obligations, I have passed in all ways the highest pledges, dwelling upon their honor with no less

unbounded assurances than I have vouched for the ample sufficiency of their means. These pledges have sprung from the double feeling of pride and duty in me towards the towns, and have been given with an earnestness and solemnity proportioned to the publicity of the theatre of my exertions in their behalf. Nor do I for an instant doubt, but that they will all be scrupulously redeemed.

The conventions as formally signed and executed on each side, I will transmit as soon as received from Holland. I am promised them this week. As they will conform to the statements I have made, I do not think it necessary to lose, by waiting longer for them, the opportunity of forwarding this Report by the packet that will sail from Liverpool to New-York on the first of December.

I have the honor to remain,

With great respect,

Your ob't serv't,

RICHARD RUSH.

JOSEPH GALES, Esquire,

Mayor of the City of Washington.

REMARKS

Explanatory of the Loan of a Million and a half of Dollars, proposed to be raised by the City of Washington and the Towns of Georgetown and Alexandria, under an Act of the Congress of the United States. [This is the paper referred to, page 6, ante, as having been sent by Mr. Rush to the towns with his communication of the 8th of September.]

The loan is wanted to meet the subscriptions of the above towns to the Chesapeake and Ohio Canal. This is a public work in a high degree national in the United States of North America. It is not undertaken by any one of the States singly, or for the benefit of any one of them singly ; but looks to the general advantage of the country, and immediately to that of several of the States that are central in their position in the Union, and amongst the most important for population and resources. Its great object is, to join in this part of the American Union, the western waters with those of the Atlantic Ocean ; an object full of importance to all commercial and other intercourse in the United States, and always deemed practicable by the best informed and most sagacious men of the country from General Washington's time to the present ; he having been the first to designate the line of this canal more than forty years ago. The advantages of this undertaking, are officially set forth in various reports and documents published by

order of the Congress of the United States. To repeat them all would extend these remarks unduly, and be aside from their purpose. It may be merely affirmed, that the canal by terminating at the city of Washington, where it will fall into the river Potomac, which flows into the Chesapeake Bay, which latter empties itself into the Atlantic, must necessarily bring peculiar advantages to that city, as well as to the entire District of Columbia. The District of Columbia is a portion of territory ten miles square, under the exclusive jurisdiction and laws of the National Congress, without the power of control, or any interference whatever, on the part of any of the individual States. Within this District stand as well the city of Washington as the towns of Georgetown and Alexandria ; all three of the towns being situated on the banks of the Potomac. Congress has subscribed towards the construction of this canal one million of dollars. It has also in other ways taken it under its patronage, in a manner more ample and decided than it has hitherto done any other such public work. But that body observed, in this instance, its habitual caution when about to make grants from the national treasury. Before it directed the secretary of the treasury to make, on the nation's behalf, the above subscription, it caused the whole line of the proposed canal to be minutely surveyed by the engineers of the nation. Their report made at great length in 1826, demonstrated the practicability of the route, so as to place beyond doubt the safety of the undertaking. It demonstrated by facts and deductions not less irresistible, its advantages to the nation. Access may be

had to this report, as well as to all the other official documents bearing in any way upon the subject. It is remarkable, that the line marked out by the report of the engineers, is the same which had been indicated by General Washington as the true one, as far back as the period stated.

Besides its own subscription, adopted with so much deliberation, Congress authorized the city of Washington and the towns of Georgetown and Alexandria to subscribe to this canal. The towns accordingly did subscribe, (or rather they had subscribed, the law giving validity to their subscriptions,) in the following proportions, viz. Washington one million of dollars, and the two others, two hundred and fifty thousand dollars each. Congress, also, by the same law, viz. a law of May the 24th, 1828, authorized them to borrow the money to meet their subscriptions. It is, therefore, under the full and declared sanction of Congress that these towns desire to borrow. They are under the peculiar care, as well as exclusive legal and political jurisdiction of Congress. Their prosperity is bound up with that of the nation, and dear to the nation. This, as regards Washington, is not only the case on political and national grounds, but it is directly so, on a ground of mere pecuniary interest, from the fact that the nation is the proprietor of a large part of the real estate in this town, as well as of all the national buildings that have been erected there. It is the chosen and permanent seat of the government of the nation; its infant but cherished metropolis. With Congress as their directing and controlling legislative body, and the President of the

United States as their local as well as national chief magistrate, all three of these towns feel the value and dignity of the protection under which they are placed. The very nature of their dependence, exalts the justice as well as the kindly attributes of this protection. They feel that they are little likely to be neglected in their interests, and still less to be suffered to fall, when such a hand supports them. On the sudden calamity of a fire happening three years ago in Alexandria, an appropriation of money was immediately made from the treasury, as a donation to those whose property had perished in the flames; an application of the national funds never made by Congress for such a purpose before or since, in behalf of any town in the Union out of this District; which is thus nourished by Congress with a generous bounty as well as by legal patronage. As bearing upon the authority conferred upon these towns from so high a source to borrow, they know, especially, how scrupulous has ever been the good faith of the national government of the United States, whenever it has been in the slightest manner trusted to. The very act of authorizing them to borrow, justifies the inference that Congress believed in their competence to pay; and the sum which they desire to borrow, was full within the view of the executive government of the Union, as will in a few moments be seen, when it lent its instrumentality in aid of the efforts which they are themselves making to obtain it.

But, the reliance springing from these considerations, although of an order too commanding to be passed over, is far from being that alone to which the

lender has to look. Congress has provided for him a specific and full security. This has been done by the same law of the 24th of May, 1828, already mentioned. By this law, certificates of stock are to be issued by the proper authorities of the towns, for the sums which they may borrow. Lists of these certificates are to be deposited with the Secretary of the Treasury of the United States. A copy of whatever contract or agreement the towns may enter into for a loan, is also to be deposited with the Secretary of the Treasury. The object of such deposit is, that this officer, the officer at the head of the finances of the nation, may be accurately informed of the sums due to the lender. Possessed of this knowledge, it is made his duty, should the towns neglect to pay voluntarily, to cause to be collected and paid into the public treasury for the use of the lender whatever sums are due to him, out of the proceeds of taxes that are to be laid for that purpose. The law contains a further and remarkable feature, illustrative of the determination of Congress to throw its shield, in a manner the most complete, over the lender. It is this :—that the towns must pay into the treasury all sums due on the loan, interest and principal, *ninety days in advance*. If this be not done, it becomes the duty of the PRESIDENT OF THE UNITED STATES to cause the money to be raised, by directing a levy upon property, real and personal, situated within the town or towns neglecting so to pay in advance. Thus, not only is payment by the towns provided for by compulsory process of law, but payment beforehand, and into the national treasury itself ; so that the lender may be at no risk of disap-

pointment in receiving his dividends, on the very day when they fall due. And this compulsory process is to be under the direction not of any merely subordinate functionary of the law ; not of any inferior corporate or municipal officer ; but of the chief magistrate of the nation. The obligation to levy the money in advance, is one from which THE PRESIDENT can be dispensed only on his own belief, resting on grounds entirely satisfactory to his judgment, that the towns are proceeding of their own accord to raise the money ; and that they will have it ready at the proper time. In case it be not ready at the proper time, the President cannot be dispensed at all from proceeding with the levy as described.

These are the main provisions of the law in question. For the details which it comprehends, and they are ample and effective, the law itself can be consulted. It is not easy to conceive, when the circumstances that belong to the character and history of this law are kept in mind, how a better security could be provided for the lender, or how he could desire a better. Let him pause. Let him see what are the real facts. Without regard to forms, let him weigh the substance. These are the maxims for men of business. Forgetting prepossessions, should he have any, let him look closely at the matter, and reason rigorously. Let him stand upon his wariness. Let him carry scrutiny into his interrogatories and keenness into his objections, and see if his judgment can, after all, refuse assent.

Here is a specific fund, pledged and set apart for him by this law. It consists of real and personal

estate, within the metropolis of the nation, and the two other towns of the same district. This estate is subjected to taxation, in full and adequate amount, to pay his debt. THE GOVERNMENT OF THE UNITED STATES is the superintending power, bound to watch over his rights and interests; to see that he is paid, and paid punctually. The security of the debt is made, by an unusual strength of precaution, independent of the will of those who have to pay it. Their estates are placed by a deed irrevocable, for such is the true and absolute nature of this law, into the hands of a trustee for that object. That trustee is the Government of the United States. The punctual payment of the interest, and the faithful reimbursement of the principal, stand upon a clear and high ground of national faith. Substantially, the funded debt proper of the United States, stands upon no higher. The only effective reliance of the latter, apart from the moral obligation of the nation, is upon the proceeds of the duties upon imports and tonnage. In like manner, the debt of these towns is to be paid out of the property, real and personal, to be found within them; which, for this purpose, is placed under the control and management of the government of the Union. And, surely, the moral obligation of the Government thus to enforce payment upon the towns, is not less binding than it is to see that the funded debt is paid. The very event that may cut off the revenue from imports and tonnage, by suspending or depressing the operations of foreign commerce, would be apt to enhance rather than lower the value of real estate in the towns; and thus expose to less risk

the security depending upon it. Such at any rate has been the past experience of events of this character.

If it be asked why Congress has not at once directed certificates to be issued as upon the footing of the national or funded debt, for this loan, the replies are as obvious as they are deemed to be satisfactory.

First, Congress evidently supposed that it was providing a security sufficiently ample without issuing such certificates ; a security differing in form, but not inferior in effect to that on which rests the funded debt. Congress did not suppose that it was legislating to no purpose when it passed the law of the 24th of May, 1828 ; still less that it was merely deluding the lender. As little can it be supposed that the law was intended to be of no value to the towns ; or not to give them full credit in the eyes of the world. It ought not lightly to be imagined of so grave a body, that it would spend its time in purporting to provide with elaborate care, a security for whomsoever might advance their money to the towns, which, after all, was to be no security ; that it would multiply guards and precautions that were to be of no avail ; devolve duties upon the highest financial officer of the nation, even upon THE PRESIDENT, that were to exist only in name, and prove both to the towns and to the lender, a nullity. Such has not been the character of the national legislation of the United States, and a confidence is felt that no such purpose will be imputed to it in the present instance. Yet it will be difficult to escape from these unnatural inferences, unless we suppose the present security to be perfectly good.

Another reply is, that the money which the towns desire to borrow, is to be applied to a public work that does not belong to the nation *exclusively*. The loan cannot therefore be the object of national certificates. But Congress had the power, and exercised it, of establishing the loan upon a ground of equally valid security. For the debt which the loan will create, the towns must in form issue their own certificates. The debt however will have been created by the express authority of Congress, *and for an object confessedly and largely national*, although to the towns it is also local. Congress has an interest in the creation of the debt by the towns; because the nation is a co-partner, the efficient and powerful co-partner with the towns, in the undertaking towards which the money is to be applied. Hence the assurance so carefully stamped upon the whole frame and spirit of the law, that good faith will be kept with the lender. Although the towns are themselves to issue the certificates, yet such is the sanctity with which Congress has invested these authentic evidences of the debt, that to forge them, or any transfer of them, or any power of attorney purporting to authorize a transfer, is made as highly penal as if they were the certificates of the funded debt proper of the nation.

Thirdly, it would have been a departure from its usual course, had Congress directed an issue of certificates from the national treasury for this debt; and without any good motive for the departure, but the contrary. The National Government has lent its aid heretofore to enterprises of this nature, but has

always deemed it best to leave to private hands the chief direction. It well knows, that under public patronage alone, public works are not so likely to be conducted with full economy and advantage, as if private interest be superadded, the latter being a valuable stimulant to fidelity and exertion. So, on this occasion, although the subscription of Congress to the Chesapeake and Ohio Canal, has been far greater than to any similar work ; *and although it has never before passed a law for the security of those who might lend their money towards the prosecution of a public work of any description in the United States*, it has, nevertheless, adhered to the principle of its policy. It has left to the towns themselves, the duty of repaying the sums they may borrow ; coming in with its own authority only upon the contingency of their default. Had Congress authorized an issue of certificates directly from the treasury, or identified the debt with the National Government in any other form of simple guarantee, it is manifest that it would have withdrawn from the towns an operative motive for paying it themselves. This is what Congress did not mean to do, but to avoid. It meant that the towns should pay, knowing that they were able to pay ; and it meant, by this powerful and constraining law, to make it their interest to pay of their own accord, and to pay in good time ; rather than let their property be sold under the orders of the President of the United States. The very penalty suspended over them, will become the surest pledge of their punctuality. The certainty that the law will be enforced, will prove the best means of preventing the necessity

of enforcing it. Thus, the lender cannot fail to be paid; whilst the towns will be made to stand upon their honor, no less than their interest, in seeing that he is paid in the way most acceptable to himself, and least burdensome to them. By this course, deliberately adopted, Congress has with true wisdom made these feelings in the towns, the efficient allies of the public patronage, and obtained a moral bond in favor of the lender.

But notwithstanding the binding enactments of this law of the 24th of May, 1828, it may be asked whether these towns have, *in point of fact*, the *ability* to pay the interest upon a million and a half of dollars, and repay the principal. It may be said, that their just intentions will be admitted; but will they be able to fulfil them? This is the great question. Here lies the stress. A further question arises, collateral indeed but too important to be kept out of sight—will they be able to pay with reasonable convenience? for if the money is to be forced from them only by the extremity of pressure, discontent may be the first consequence, and, ultimately, even resistance.

Caution, going to its utmost length, may propound these questions; but they would seem to be superfluous, considering the true nature, and only objects of the law, if the preceding view of it has not totally misconceived both; that is, superfluous with those who may think the faith of the United States good. Moreover, what has already actually been done under this law, as before hinted, by the executive government of the United States, to say nothing of what Congress has done, might be deemed a decisive an-

swer to the questions, without offering any other. The late Secretary of the Treasury, under President Adams, addressed, in November, 1828, a letter to an eminent house in London, making some inquiry on behalf of the towns, as to the terms upon which it was probable that *this precise sum of a million and a half of dollars* might be borrowed by them, *upon the faith of the very law in question.* The present Secretary, under President Jackson, also addressed, in April, 1829, a letter to the same house, in which, speaking of the security under this law, he says, that “*very plenary powers*” are vested by it in the President “*to enforce payment of the taxes necessary to fulfil* IN GOOD FAITH *any engagement made in pursuance thereof.*” The present Secretary goes on to state, that although it was true, that no other revenues than those provided under that law were considered to be pledged for the performance of such engagement, yet that it might “*be confidently expected that the Government would take care to fulfil its just and proper duties under the law, should circumstances arise to make it necessary.*”

Now, it will be recollected that these three towns, contradistinguished from the towns in any of the individual States of the American Union, are under the immediate jurisdiction and eye of the National Government; that they form its very seat and homestead, and that its officers permanently reside there. These officers ought not to be presumed to be ignorant of the size, population, and fiscal capabilities of the towns. Returns from them, are upon the archives of the Treasury Department; their proper place, as

they owe no returns or responsibility to any of the individual States, but only to the nation. It is seen then, that two successive Secretaries of the Treasury, under two successive administrations, have written such letters as the above ; and, what is still more fit to be remarked, written them to a foreign house. Why, the bare inquiry made in the first, still more the declarations contained in the second, were but calculated to mislead, unless the administration in each case believed the towns able to pay this sum of a million and a half of dollars ; for it was the *very sum* which was the subject of their letters. There was no other or smaller sum mentioned, or thought of. Had they not believed the towns able to pay it, it would have been the unequivocal duty of each Secretary, far from writing as has been seen, had either written at all, to have put the house upon its guard ; to have said, I warn you of your danger ; be careful how you lend such a sum to these towns ; they are about to go beyond their means ; the law of May, 1828, although it provided a security indeed, never contemplated the borrowing of so large a sum ; and if you do lend, it will be at your own risk. This is the language that ought to have been held, and that would have been held, by the organs of a Government the good faith of which is not to be impeached. The design of maintaining a deceptive silence on this vital point, will scarcely be laid to their charge ; and as little ought they to be suspected of misleading others through the want of that information which their stations implied the duty and fur-

nished the opportunities of their being in possession of, as of any purpose to mislead.

Connected with these acts of the Executive Government, it must not be forgotten how entire must have been the reliance of Congress upon the good faith and prudence of the towns when it clothed them with power to borrow, that the power would not be abused. Nor must it be forgotten that the towns had actually *subscribed* this sum of a million and a half of dollars when the law passed; the law declaring that as well the subscription already made (*which was the sum in question*) should be valid and binding on the towns, as any that they might make afterwards. It is as material to make known, that a whole session of Congress has been held since the towns determined to *borrow* the sum under discussion, and since the first Secretary of the Treasury wrote, on their express behalf, the letter of inquiry that has been stated. Now, Congress would indubitably have interposed its controlling authority to revoke as well their subscription as their determination, to borrow, had it supposed the sum too large; and indubitably Congress also has thus lent its tacit but no less full and solemn sanction to that determination. Had it been a rash or unwarrantable determination, to have cancelled it would have been an imperious duty, from which the justice of Congress could not have been discharged. These towns are its children, fostered by its kindness on the one hand, and on the other amenable to its control. Nothing, therefore, is more clear, than that if they have transcended their means, both branches of the Government of the Union, le-

gislative and executive, have made themselves parties not indeed to intentional deceptions, which no one will impute to them, but at least to errors and omissions so extraordinary as to have incurred a grave responsibility to the lender. But there is not the slightest ground on which to rest the imputation of errors and omissions that would, truly, have been so extraordinary and unaccountable ; so utterly at war with every idea of public vigilance and care. On the contrary, this combined sanction simultaneously flowing in the different ways that have been shown from the supreme legislative power and executive functionaries of the land, ought to put the mind at rest as to the perfect competence of the towns to fulfil the engagements which they now desire to contract. It is calculated to produce as high a moral conviction as the mind can feel.

But the question of their ability to pay, shall not be left here. Conclusive as may seem the foregoing considerations, the task of establishing the point shall be more fully performed. The scrutiny shall take place on other grounds. The visible shall be added to the moral proof. Facts and figures shall complete the demonstration.

The City of Washington is computed to contain a population of eighteen or twenty thousand persons. Let eighteen thousand be taken as the number. The population of Georgetown is computed at between seven and eight thousand, and that of Alexandria at between eight and nine thousand. Let Washington be selected as the subject of our calculations. It is believed that the present taxation to which this town

is subject, amounts to from thirty to forty thousand dollars a year. A debt of a million of dollars, supposing that it was contracted at the highest rate of interest that the law allows, viz. six per cent, would create, if no other resources existed for paying the interest, a necessity for raising by additional taxation, sixty thousand dollars. This would make in the whole from ninety to one hundred thousand dollars a year to be raised by taxation. Let it be said one hundred thousand. The question that presents itself is, whether this is an amount of taxation too great for this population of eighteen thousand to bear ; to bear with ease, and to bear without murmuring.

The question must be answered by fair reasoning upon analogous facts. Nor will any elaborate statistical researches become necessary. A few simple statements are all that need be given. One hundred thousand dollars apportioned among a population of eighteen thousand, will give less than six dollars to each person. Let us take full six, as the sum. The taxes raised in England apportioned in this way, throw about twelve dollars upon each person. This does not include the poor-rates, nor various other parish taxes, nor tithes. In Holland, the amount so thrown upon each person, is about nine dollars. In France it is lower than in Holland, and amounts to about seven dollars. But it belongs essentially to the calculation to remark, that whilst this is the rough average as applied to the whole country at large in each of the cases, and rather a low average, a town population almost universally pays more in taxes, sometimes greatly more, in proportion to its numbers, and is able

to pay more, than a rural population ; because transfers of every kind as well as consumption are proportionably far greater in towns than in the country, and because more money circulates in them. It is believed that there are towns in the individual States of the American Union in which when the State taxes come to be added to the county and municipal taxes of all kinds, the aggregate will be found to be more than six dollars to each inhabitant, aside from the indirect taxation which every citizen of the United States sustains in a greater or less degree as his share of the impost. The average amount per head, taking the whole extent of the United States from one end to the other, is to be sure much below this sum ; less probably than one half of it. The impost is the only United States tax at present existing ; that is, the General Government of the Union imposes no direct tax or duty of excise, or any other tax or duty of any kind, at the present period. It follows that Washington has no such taxes to pay. Nor is the town subject to taxes of any description imposed by any of the individual States. It has, in short, nothing but its own mere local taxes to pay. Although containing no persons of large capital, this town is not wanting in persons of moderate property, and it contains a great many families whose incomes are certain, because derived from the Government. These incomes though separately small, are not inconsiderable in the aggregate. The annual expenditure of the National Government within the District of Columbia, is computed at not less, on all accounts, than a million of dollars. The chief expenditure for the civil list is

there ; the foreign ministers, as well as those of the Government of the United States, reside there ; and within its limits, are a naval arsenal and building yard, with barracks for the marine corps and various other public establishments and edifices such as never fail to grow up in the vicinity of a government. Of the money expended on all these accounts, a full proportion is diffused throughout all classes of the population of Washington. It may, therefore, be safely said of this town, that it is as well able to bear the amount of taxation assumed, and to bear it with full convenience, as towns generally of the same size. The very character of its population, whilst it leads to less accumulation of capital in individual hands, than is seen in commercial cities, renders it less liable to the total vicissitudes and bankruptcies that sometimes visit portions of the inhabitants of such cities. That it would bear the increased taxation with cheerfulness, although it would form a large addition to the present amount, may be affirmed with equal safety ; for it will have been imposed not arbitrarily, or for oppressive or useless ends, but at the spontaneous and earnest desire of the inhabitants themselves, who seek through it benefits which, in their judgments, are clear and demonstrable. The town in making its subscription to the Canal, did it with a zeal and unanimity resulting from an intelligent conviction of the great importance of the work to the best interests of the town ; and with a well-understood fore-knowledge of the increased amount of taxation to which the measure would give rise. Already have preparatory steps been taken, it is believed by all the towns, to

meet these new pecuniary obligations that will be devolved upon them.

So far as to the ability of Washington to pay punctually the interest upon the proposed loan of a million of dollars. Unless facts hitherto applicable in similar cases are to be overlooked, this ability is not to be denied and need not be enlarged upon.

Next, as to repayment of the principal. The present assessed value of real estate within this town, exceeds five millions of dollars. This assessment is believed to be low, and personal property is not included in it. Nor does it, of course, include the real estate of the nation situated in the town, which is not liable to taxation. The public edifices of the nation which are there, some of which are upon a very large scale, have also been extremely costly; the capitol of itself, or building in which both houses of Congress assemble, having cost, it is believed, in the whole, more than two millions of dollars. Hence, having regard merely to the above assessment, as both the personal and real property of all the inhabitants within the town will be bound for the debt, principal as well as interest, and may be levied upon under the law of the 24th May, 1828, to make the debt in all parts good, it is plain, that the compulsion of the law being resorted to, the principal might, even at this day, be raised; and doubtless would be raised by compulsion, no matter at what inconvenience to the inhabitants, if good faith required it. For, as has already been seen, repayment is not made to depend upon the convenience or the will of the inhabitants. A higher power, the Government of the nation, is the

sentinel over them ; the efficient and assured guardian of the creditor's rights. It is to this power, not to the City of Washington, upright as are believed to be its intentions and perfect its ability, that the execution of the law is confided ; and, as the officer now at the head of the Treasury has said, it may be confidently expected that the law *will* be executed if necessary ; in other words, if the town does not pay voluntarily. If, contrary to all probability after what has been stated, its execution should threaten to press so sorely upon the town, as to startle the humanity of the Government, there is one way, and only one, in which it might be absolved from its imperative duty of going on. That would be—to *pay the debt itself*. It is impossible that the Government could answer to the creditor in any other way ; truly impossible.

All this however is exhibiting the very worst aspect of the subject for Washington, in pursuing the topic in hand. Other and more reasonable views naturally offer themselves. It is not contemplated that the principal of the proposed loan should be immediately repaid ; but, on the contrary, that it should run on to a period of perhaps twenty or thirty years. Probably also there would be some arrangement for reimbursing it gradually. The town is increasing fast in population and in business. Every year it is marked by the erection of new dwelling houses and other indications of substantial improvement. Within the last fifteen years it has fully doubled its population. There is no just ground for supposing that its future increase will not equal the past ; and it will be advancing henceforth upon the broader basis of

numbers and prosperity which it has now acquired. It is believed that no town in the United States south of Baltimore, has risen as fast as Washington within the number of years just stated. When therefore the time for repaying the *principal* of this debt arrives, it may reasonably be inferred that the town will have reached a higher point of ability for repaying it conveniently, supposing that the whole sum should be paid in gross. This belief is due in common justice to the town. As it has gained its present size by annual and steady growth since the first year of its recent foundation, it ought not to be assumed that its growth will suddenly stop.

What has been said of the ability of Washington to pay, will apply with equal if not greater force to Alexandria and Georgetown. The present assessed value of property in the former town amounts to more than two millions and a half of dollars; and in the latter to more than two millions and a half also. Consequently, the sum which these two towns desire to borrow, two hundred and fifty thousand dollars each, bears a less proportion to their assessments than the sum desired by Washington, as well as to their population. The assessment of the entire District of Columbia is fifteen millions of dollars; which is also considered low. Georgetown stands at the head of ship navigation on the Potomac. It is extremely well situated for home trade, and maintains foreign commerce. Alexandria does the same.

The question of the ability of the towns to pay has, in the preceding remarks, been considered on the footing of their positive existing ability, should things

go on upon their present basis, without the addition of the canal. The necessary prudence of a capitalist inclined to lend money to them, would call in the first instance for the demonstration upon this footing; and it is conceived to have been afforded. That the fortunes of the towns must advance in all ways when the canal is made, may, without any hazard, be asserted; and that it will be made, is as confidently believed. The subscription of a million of dollars towards it by the Congress of the nation, ought to go far in confirming this belief. It imports the conviction of that high body that the work would succeed; since a contrary supposition would lay it open to the imputation of misapplying the public funds. The State of Maryland, by its Legislature, has also subscribed towards it, FIVE HUNDRED THOUSAND DOLLARS, a large part of the line of the canal passing through the territory of that State. More than SIX HUNDRED THOUSAND DOLLARS have already been subscribed by private citizens, whose subscriptions it may be added have been paid with great punctuality. The list of their names may be seen, if desired; and will be found by those who may seek any knowledge of them, to embrace the intelligence and respectability of that quarter of the community; men of prudent lives, and little apt to embark their means or their reputation in ill-considered projects. These are facts affording a good guarantee for the wisdom of the plan, and an encouraging omen of its success. The line of the canal is divided into three sections, termed the eastern, the middle, and the western. The eastern section commences at Washington and

extends to Cumberland in the State of Maryland, a distance of one hundred and eighty-five miles, where it reaches a country remarkable for coal mines, yielding that fuel in the utmost abundance, of the best quality, and in the easiest way, from the sides of hills, instead of from a depth below the surface. The middle section, which although the shortest will probably be the most difficult to construct, comprehends a distance of 70 miles, and the western section of 85 miles. This last section terminates at Pittsburg in the State of Pennsylvania, where the canal will fall into the river Ohio, whose waters flow into the Mississippi; the latter in its turn falling into the gulf of Mexico and the ocean. The whole line of the canal will be 341 miles. But in the charter of incorporation it is stipulated, that the first moneys raised shall be applied towards digging and completing the eastern section, before the work is commenced upon either of the other sections. The eastern section being finished, a canal of great value, so far, will be the result. Hence the forecast of this clause in the charter. It will guard those who first embark their money in the enterprise from danger of loss, admitting that it should not advance to completion in its final purpose of uniting the waters of the Ohio and Mississippi with those of the Chesapeake.

That the eastern section will be completed, the three towns do not doubt. The most sober estimates have shown, not conjectural estimates, but estimates founded upon contracts ready to be entered into, that the entire line of this section can be completed for less than four millions and a half of dollars.

Forty-six miles of the distance are under actual contract, and the work is proceeding daily with upwards of two thousand laborers. The corner-stone of the first Lock having been laid on the 29th of last May, PRESIDENT JACKSON, now just entering upon his Presidential career, attended the ceremony, and availed himself of so imposing an occasion to express to the assembled concourse present, his convictions of the PUBLIC IMPORTANCE OF THIS GREAT WORK; THE DEEP INTEREST THAT HE FELT IN IT; AND THE SATISFACTION WITH WHICH HE CONTEMPLATED THE PROOFS THAT WERE ON EVERY HAND EXHIBITED OF ITS SUCCESSFUL PROGRESS. It is computed that the whole of the eastern section will be done in less than four years. Of the sum required for it, more than three millions and a half of dollars have already been subscribed; and the company after the payment of all expenses hitherto incurred, had a balance of cash on hand on the 30th of last May amounting to three hundred and fifty-four thousand dollars. This fact is derived from their official report to the stockholders made on that date, including the government of the United States amongst them. It may be added, that when the canal goes into operation for shorter distances than the entire eastern section on the line of that section, and this will be the case from the nature of the work, it will still bring with it benefits to the three towns, by facilitating the transportation of produce, more or less, to their markets. But when the eastern section in its full length shall have been made, the sphere of these benefits will be greatly widened, by opening to their markets the va-

rious and abundant produce, agricultural and other, of some of the most fertile portions of the States of Virginia, Maryland, and even Pennsylvania, through or near to which the line of the canal will then run. The coal from Cumberland, must, of itself, prove to the towns a rich and unfailing source of prosperity. Calculations made on no overstrained data show, that the rate at which they will be supplied with this article when descending the canal, compared with the prices they now pay for it when received by sea, or otherwise from distant places, will produce an annual saving to them little short of three hundred thousand dollars. It is easy to see that a tax upon this article of less than one half the amount thus saved, an article of indispensable supply, and which therefore must come to the towns, would, independent of all other resources, more than pay the interest upon the sum which they desire to borrow. What constitute the great fountains of English wealth and power? All answer, her coal and iron.

With such prospects before them, why may not these towns borrow this sum, or what fears need any capitalist have in advancing it to them, at a fair interest? That they are able to pay it at the present time, was the unquestionable belief of Congress; or the solemn law already remarked upon, would not have been passed; any more than their determination to borrow it, or their very subscription of the sum, both which were fully known to that body, been allowed to pass unrevoked. That they are able to pay it at the present time, was the unquestionable belief of two successive Secretaries of the Treasury; or

the letters from them which have been cited, would not have been written. That they are able to pay it at the present time, has been seen from the positive facts of their population and property. Finally, that they would be *made* to pay it at the present time, if we can suppose that there would be any hesitation on their own part when their interest, their honor, and their pride would be so highly at stake, ought not to be doubted, when it is known that the Government of the nation stands by, with the arm of justice and coercion uplifted over them. If all this be true of their present ability, how does the imagined heaviness of the debt disappear, when, under the reasonable anticipations that have been stated, the lapse of a few years shall have carried these towns onward in their growth, and augmented all their resources! Debt to be sure is always more or less burdensome; but when contracted for an object that is sanctioned by wisdom and upheld by authority, and when the ability to meet it is undoubted, the burden ceases to be heavy, and is not only borne, but borne with cheerfulness.

It may not be irrelevant to say a few words, incidentally, of the New-York canal. This canal is 363 miles in length. It connects the waters of Lake Erie with those of the river Hudson, which flows into the Atlantic. The debt contracted in making it, in connexion with the Champlain Canal, was upwards of seven millions of dollars. It was finished in its whole length in about seven years. The income from these canals, chiefly from tolls, amounted in 1828, to twelve hundred thousand dollars. This income, after

paying the interest on the canal debt, the salaries of all the officers employed on the canals, and the expenses of keeping the works in repair, left a clear surplus of more than four hundred thousand dollars. This surplus could not be made available towards the reduction of the canal debt only because the period of its redemption had not arrived, that period being still remote. There is no good reason for supposing that the Chesapeake and Ohio Canal will not in good time prove as valuable. It will flow through countries, to say the least, not inferior in extent and fertility ; bind together States and Territories not less populous ; enhance in a degree not secondary the value of great bodies of land and the produce of it ; develop in all ways as many and as enriching sources of industry. It has been undertaken under auspices not less high ; planned with not less deliberation, and approved and participated in by men whose intelligence, whose characters, and whose position in society, are not inferior guarantees for safe, honorable and profitable results. It so happens also, that the same engineer who so successfully superintended the construction of the one, is now actually engaged in superintending the construction of the other. Nor is it a fact without interest, and therefore merits to be brought into view, that with such industry, economy, and good success in all respects, have the President and Directors of the Chesapeake and Ohio Canal conducted the work so far, that they were all re-elected, it is believed by an unanimous vote, at an annual meeting of the stockholders in June last ; the United States being represented at the meeting, by their Secretary of the Treasury.

It may be proper to subjoin, that the amount of canal stock of the Chesapeake and Ohio Canal which will belong to the towns in virtue of their subscription of a million and a half of dollars, will be pledged if desired, to whomsoever may advance them this sum ; as a security over and above that which has been provided by Congress. All dividends upon the shares owned by the towns, will also be set apart by them as a fund to be exclusively and constantly applied, in aid of their other resources, towards payments under the loan.

These remarks will here be brought to a close. They have been made to elucidate the genuine character of the loan wanted by the three towns. If there be any points upon which they have not been intelligible or satisfactory, further inquiry is invited, that further explanations may be given. They have been abridged from the fear of being tedious, and because the laws or documents upon which their statements are founded, can all be examined at large, if desired. A safer object of investment than the loan proposes, or one promising more advantage to the capitalist, it is believed cannot be found. Let it be investigated, thoroughly, under all its aspects. There are no concealments belonging to it. Public laws and public documents, authenticate its claims to confidence and approbation. Upon none other does it rest. Public opinion in Europe, has, very naturally, become sensitive under any proposal for distant investments, from the heavy losses that have of late years resulted from them. But a proper discrimination will draw a line between doubtful or

visionary enterprises, and those conceived in good judgment and sustained by good authority. It will perceive that the present loan is not sought upon any basis of mere individual gain or private speculation. It is emphatically to a national enterprise that it looks ; and one of which a nation is the great patron. The entire transaction is under the special and close guardianship of the Government of the United States. It is at the public treasury at Washington, that the agreement for the loan is to be recorded ; it is at the public treasury at Washington that the payments under the loan are to be made ; the same place where payments due on the funded debt proper of the nation, are made. It is through the instrumentality of the public treasury at Washington, that efficacy is to be given to that law of the nation which is to compel payment upon the towns, should they be guilty of default themselves. The nation is fully blended, step by step, with the whole operation ; its faith substantially interposed. The lender cannot lose. It is impossible. For, what nation is it that has consented, and for the first time in any similar case, to become his trustee ? A nation of premature formation, or doubtful existence ! Far otherwise. It is a nation that has steadily gone along in its prosperous career of half a century ; its institutions settled ; its revenues ample and secure ; its public debt rapidly diminishing ; its expenditures economical and carefully guarded ; its internal tranquillity perfect ; its policy and genius pacific, and its position upon the globe, a shield against wars : its public faith always scrupulously kept ; slow

to plight that faith under any form, because knowing its correspondent obligations ;—a nation advancing in power as in character, and that has stood firm for the half century of its existence when the governments of Europe, (that of the country from which it is proud to have sprung almost alone excepted,) have been shifting in their purposes or shaken to their centre ! When such a nation is seen to connect itself intimately with the purpose of a loan in the various, deliberate, and unequivocal ways that have been shown,—that the lender will receive his money punctually, with whatever fair gain the agreement for the loan may imply, may be considered as absolutely certain.

RICHARD RUSH.

LONDON, August, 1829,
 32 *Charlotte Street*,
 Portland Place.

DOCUMENTS

*Accompanying the Report of the Hon. Richard Rush, of
November 8, 1829.*

No. 1.

From Mr. Rush to the Messieurs Barings informing them of his arrival.

LONDON, June 5, 1829. }
9 Osnaburg Street, Regent's Park. }

GENTLEMEN :

Objects of business having brought me to Europe, I combine with them, at the request of the City of Washington and the towns of Alexandria and Georgetown, the duty of attending to that of the loan of a million and a half of dollars, as made known in my letters to your house from the Treasury Department of the United States, of the 24th and 25th of last November. Referring to those letters ; to your answer to them of the 13th of January, and to the acknowledgment of the receipt of the latter by Mr. Ingham, the present head of the Treasury Department, I now beg leave to enclose a letter upon the subject from Mr. Ingham, dated the 20th of April. It will be seen that the government of the United States continues to connect itself with this loan, as well on the ground of the national subscription to the Chesapeake and Ohio Canal, as on account of the plenary powers with which Congress has invested the President for the purpose of enforcing upon these towns the observance of good faith in fulfilling whatever engagements they may enter into in pursuance of the act of Congress empowering them to make the loan. I also beg leave to enclose the copy of a paper furnished me by the Secretary of State, bearing upon the business in hand. It need scarcely be added, that I have the requisite authority from the towns to act for them in all things in relation to the loan in question.

I shall be happy to wait upon you at any time and place you may have the goodness to appoint, or to receive at my lodgings any member of your establishment who may favor me with a call, as may be most convenient.

I have the honor to remain with great respect,
Your obedient servant.

RICHARD RUSH.

Messieurs Baring, Brothers and Company.

A

Enclosure to No. 1.

(Copy)

TREASURY DEPARTMENT., 20th April, 1829.

GENTLEMEN :

The corporations of the city of Washington, towns of Georgetown and of Alexandria, of the District of Columbia, have officially communicated to this Department a document signed by their chief officers respectively, shewing that the Honorable Richard Rush, late Secretary of the Treasury of the United States has been appointed their agent to proceed to Europe to use his endeavors to procure on loan the sum of a million and a half of dollars, wanted by them on account of their respective subscriptions for stock in the Chesapeake and Ohio Canal Company, and having solicited a letter from this Department to your house in furtherance of their object; I beg leave to state in compliance with their request, that the Canal Company for whose benefit this loan is intended, has so far received the countenance of the Legislative authority of the United States as to obtain a subscription to their stock, on the part of the General Government for one million of dollars.— With respect to the probable security for the proposed debt, it will be seen by a reference to the “act of Congress for enlarging the powers of the several Corporations of the District of Columbia and for other purposes,” that very plenary powers are vested in the President of the United States to enforce the payment of the taxes necessary to fulfill in good faith any engagement made in pursuance thereof. It is proper, however, to say that no revenue of the Government derived from other sources than those pointed out in the aforesaid act are considered to be pledged for the performance of such engagement; at the same time it may be confidently expected that the Government will take care to fulfill its just and proper duties under the act in question, should circumstances arise to make it necessary.

I am, very respectfully,

Your obedient servant,

(Signed)

S. D. INGHAM.

*Messieurs Baring, Brothers & Co.**London.*

No. 2.

Answer of Messieurs Barings to No. 1.

BISHOPSGATE STREET, June 8, 1829.

SIR :

We have the honor of acknowledging your letter dated the 5th, communicating one of the objects which will engage your attention during your visit to Europe, and enclosing duplicate of a letter from the Treasury Department on the same subject.

We beg to assure you that we are fully sensible of the importance of the business which has been placed under your able management, and if our time or services can be made in any way, available to its completion, we shall be most happy to employ them whenever you may call upon us.

As you are so good as to leave us to decide whether it would be most convenient that we should have the pleasure of receiving you at our office or whether one of the partners should have the honor of waiting on you at your residence, we take the liberty of adopting the latter arrangement and for that purpose we trust Wednesday at one o'clock will not be an inconvenient hour for us to fix upon. Should however any other day or hour be more agreeable to you, we shall be quite ready to obey your summons at the shortest notice.

With great personal esteem we have the honor to be,
Sir, your most obedient servant,

(Signed) BARING, BROTHERS, & Co.
Hon. Richard Rush,
Osnaburg Street, Regent's Park.

No. 3.

Letter of 18th June, to Messieurs Barings to ascertain their views.

JUNE 18, 1829, }
32 Charlotte Street, Portland Place. }

GENTLEMEN :

Referring to the interviews we have had respecting the loan of a million and a half of dollars, it occurs to me to say, that if there be any further explanations on the subject that you would consider desirable, I should be happy to be afforded an opportunity of giving them, either in writing, should you prefer that mode, or in the more free inter-

course of further conversations, at such time and place, as may entirely suit your convenience.

But should you after the explanations already given, both verbally and upon paper, feel yourselves sufficiently acquainted with the general subject, then permit me to say that in case you entertain any inclination to take the loan, I should be happy to receive an intimation of the terms you would be disposed to offer.

I will not disguise the strong wish I have that the entire loan may be taken by your house upon terms that may be satisfactory to the three towns, as well as yourselves, and due to the ample security provided under the immediate eye and sanction of the national legislature and executive, for ensuring good faith on the part of the towns to whatever engagements they may enter into ; a good faith which it is manifestly the intention of Congress shall not be frustrated in any way. This we read in the law throughout, but more especially in that clause of it imposing upon the towns the obligation of having their funds in readiness to meet every coming engagement ninety days in advance, in a manner that shall satisfy the President of the United States ; who is thus constituted by the law, the Judge and Director of their actions. I will barely add at this time, that although the redemption of no part of the loan could be fixed at a period more remote than thirty years, each town in arranging the details of a contract would expect to reserve the option of redeeming after twenty years. Georgetown indeed would prefer fifteen years.

I have the honor to remain with great respect,

Your obedient servant,

RICHARD RUSH.

Messieurs Baring, Brothers & Co.

No. 4.

Messieurs Baring to Mr. Rush, declining to take the loan.

BISHOPSGATE STREET, June 22, 1829.

SIR :

We have the honor of acknowledging your letter of the 18th referring to the application you addressed to our house on your arrival here, respecting the contemplated loan for the three towns of Washington, Georgetown and Alexandria, and we will not now repeat the explanation we have had the satisfaction of personally offering of the

delay which has occurred in making known our decision on the subject.

We have examined attentively all the documents authorizing these loans, and we need hardly assure you that we perceive in them the same evidence of good faith and regularity which so strongly characterizes every public engagement which has emanated from the representative bodies of the North American Republic.

If therefore we were treating for this stock, with a view only to investment on our own account, we should be quite satisfied with the nature of the security offered, and it would only remain to arrange the terms on which you would be prepared to dispose of it; but such is not the case; in entering upon business of this sort, we look eventually to placing the stock with the public, and though it is a necessary preliminary that we should be satisfied ourselves as to the solidity of the transaction, yet that is not sufficient; we must also feel confident, that the security is such as will induce others to become interested as purchasers.

Many circumstances combine to render us extremely doubtful as to our finding the public so disposed towards the stock which you are now desirous of negotiating. Amongst those which most influence us in this opinion, we consider as the most important the effect produced by the various stocks which are now offering in the money market with the security of the individual States. We allude more particularly to those of Pennsylvania, of Louisiana, and of Ohio, which having only been lately brought forward, have not yet found their way into the hands of those who would hold them for investment. This class of investors never was very extensive; and probably the loss which many of them have lately sustained by the reimbursement of Government stocks which they were holders of, when the exchange was unfavorable for remittances, has not had the effect of adding to their number.

Having already mentioned in conversation other causes which we thought it probable would be found to operate against the proposed loan at the present moment, we will not trouble you by again enumerating them. You must have perceived from the public prints that we are laboring under a pressure in the money market, and you must of course be aware that such a state of the circulation must not altogether be overlooked in estimating the difficulties which we should have to contend with.

With an earnest desire therefore to facilitate an undertaking of so much importance to the country as that for which this loan is required we are sorry to conclude by stating, that under the present aspect of things we do not feel sufficiently confident to make any proposal as contractors, but at the same time we take the liberty of assuring you that it will give as great pleasure to make our services or our local information in any other manner available to its success.

With the expression of our gratitude for the flattering terms in which you have been pleased to allude to our firm,

We have the honor to be, Sir,

Your obedient servants,

(Signed)

BARING, BROTHERS & Co.

No. 5.

Reply of Mr. Rush to Mr. Willink.

LONDON, June 8, 1829. }
9 Osnaburg Street, Regent's Park. }

SIR :

I have had the honor to receive your letter of the 20th of January, and also the copy of it under cover of your favor of the 12th of May, in reply to my letters of the 24th and 25th of last November from the Treasury Department of the United States, on the subject of a loan of a million and a half of dollars for the city of Washington, and the towns of Georgetown and Alexandria. The original as well as the copy of your letter of the 20th of January, first came to my hands here, a few days ago, having arrived in the United States just after my embarkation, whence they were forwarded to me.

As all the proposals that you are so good as to make under my letters of the 24th and 25th of November, assume as their basis that the Congress of the United States are to give a direct and simple guarantee for the repayment of the loan in question, they apply to a state of things which does not exist in point of fact. I have no authority for saying that the law of Congress of the 24th of May, 1828, which provides what was considered by that body ample security for the loan, will be altered ; and it is therefore only under the provisions of that law as it now stands in all respects, that the towns can treat. I have brought with me to Eu-

rope, full powers to act on their behalf, and should you incline to make any offers on the basis as here explained, I shall be happy to receive them by letter from you, addressed to me in London, as soon as your convenience may allow.

I have the honor to remain with great respect,
Your obedient servant.

RICHARD RUSH.

William Willink, Jun. Esq. Amsterdam.

No. 6.

Further letter from Mr. Willink to Mr. Rush.

AMSTERDAM, 20th June, 1829.

SIR :

I have the honor to reply to your esteemed favor, 8th inst. and regret extremely that my respects of 20th January last did not come to hand previous to your departure from the United States, because the considerations submitted might have perhaps provoked a change in the state of things as it exists, useful not only but profitable at the same time. The credit of the United States is so firmly established that I do not hesitate to say that its Government could at present obtain loans here on more favorable terms than any other power ; but this is not the case, neither with any of the individual States of the Union, as the late loan called the Louisiana loan proves, nor with individual cities, towns, or corporations ; and in this present case the loans formerly made on the security of lots in the City of Washington from whence no dividends ever have come forward do not, I am sorry to be obliged to say so, inspire that confidence in the proffered securities which would be so essential to the success of the intended loans.

These considerations are of so much weight that what can be done with the formal guarantee of the United States cannot be accomplished without it ; and I believe it to be quite impossible to effect a loan for the city of Washington and the towns of Alexandria and Georgetown in the present state of the case, and without the formal guarantee of the United States, any where. I had flattered myself and still do so, that the Government of the United States, under whose immediate jurisdiction those three places are situated, can do more for them than for any other city,

town or corporation in the Union; and therefore beg leave to submit to your consideration, that you give advice of the impossibility that exists to effect the proposed loans unless they are formally guaranteed by the Government, both capital and interest, in order that if possible this guarantee be obtained. It is true we might attempt and offer the loans to our capitalists under the provisions of the law of Congress of 24 May, 1828; but I am morally convinced that but little if any success would attend it, and a failure would tend to create a prejudice rendering a second attempt even under other circumstances liable to less favorable terms, whilst in my humble opinion nothing in matters of this kind must be left to hazard and chance.

I can therefore not make any proposal or submit any scheme for the intended loans in the state of things that exist; and if I am well informed you will meet with the same difficulties in England. I hope however that the Government of the United States will determine to guarantee the reimbursements of the capital and the payment of interest of the intended loans, when I am confident that they will be taken here with pleasure on the terms expressed in my respects of the 20th January last, if not even on more favorable ones, provided the state of the money market remains as favorable as it is at present. I hope this matter may be considered in the same light and shall be happy if any exertions in the attainment of your wishes meet with the desired success.

I have the honor to be very respectfully, Sir,
Your most obedient servant,

(Signed)

W. WILLINK, Jr.

Richard Rush, Esq.

*Late Secretary of the Treasury of the United States.
No. 1 Bishopsgate Church Yard, London.*

No. 7.

Mr. Marx to Mr. Rush.

TUESDAY, 1 o'clock, July 7th, 1829.

MY DEAR SIR :

I am disappointed from various causes in seeing you this morning and may be disappointed, before your departure. In the mean time, I waited this day at 12 on Mr. Rothschild by appointment, who continued to express his

readiness to join in the contemplated loan with any American houses and to take his full share if they do so. Should you be disengaged this evening, Mr R. would be happy to make your acquaintance, and he will receive you at any time from 6 to 9 this evening, at his counting house, New Court St. Swithin's Lane, and I will hold myself ready at Bedford Place to attend you if you think proper. I would myself wish to say a few words before you leave, but of no consequence, and remain,

(Signed) Your devoted obedient servant,
GEORGE MARX.

No. 8.

Messieurs Crommelins to Mr. Rush.

AMSTERDAM, July 22nd, 1829.

SIR :

Referring to the conversation we had the honor of holding with you yesterday, we beg to repeat in writing the substance thereof, in compliance with your request to that effect.

We stated that various considerations, and chiefly the nature of the loan would not allow us to make a positive offer—not at least without having given the matter a somewhat more public trial; but that if we could bring the loan forward, that we had good reason to believe, and in fact had very little doubt, but it would be taken on terms not exceeding the interest of $5\frac{1}{2}$ per cent. per annum for an average duration of twenty years, comprising all charges whatever here at the raising of the loan, during the running thereof, and at its reimbursement; the loan then to be effected here, on commission, and in every respect on the account of the three corporations, the interest and reimbursement to be provided here at fixed rates and stated times, entirely at their risk and expense. The public here is desirous of finding new employ for capital; the great point is that the public mind be satisfied of the investment being safe—if satisfied of that, the stock will be taken freely and at moderate terms, and no extraordinary sacrifice will at all be required from the Corporations. But if not satisfied fully on that point a large bonus, and higher interest even would not tempt our capitalists to part with the money.

It will be superfluous to add that a change in the present

favorable state of the money market might also effect prospects as regards this loan.

We trust the above will answer your wishes; and have the honor to remain with great regard,

Sir, your most obedient humble servants,
(Signed) DANIEL CROMMELIN & SON.
To the Honorable Richard Rush, &c. &c.

No. 9.

Messieurs Crommelins to Mr. Rush. [*Marked confidential on the envelope.*]

AMSTERDAM, July 22nd, 1829.

SIR :

Referring to the letter which we had already the honor of addressing to you under this day's date, the contents of which we have limited to the main question, we now beg to return to you herewith the sundry papers, &c. which you have had the goodness to communicate to us, and we make free to add a few lines to serve only in case that the other plan might happen to draw your attention, after the further ascertaining of the resources London may offer for the attainment of the object in view.

We have deemed it unnecessary to enter into the detail of the expenses, having perfectly understood the meaning of the terms you mentioned—say that the corporations consenting for instance to take upon them the charge of paying 5 1-2 per cent interest, and stock to be issued here bearing interest only at 5, the average duration of the loan being fixed for instance at 20 years, the aggregate of this annual saving of $\frac{1}{2}$ per cent. during 20 years, might be applied towards the payment of all expenses in Holland, say the Bonus, Commissions, Brokerages, &c. This is the main point, the other arrangements would be of a less primary importance, and it would be premature to enter into them at this moment; with a mutual disposition to further the main object there can be no doubt but those minor points would also be settled satisfactorily.

There is one consideration however which is of the highest order, and to which, in case further application should happen to be made to us, we must beg leave to call your attention. It is the vital question of the ability of the Corporations to take upon them the burthen of these loans.

The credit of the house borrowing would be essentially

implicated with a loan of the nature of the one intended, and great would be the moral responsibility which we should take upon us in presenting the stock to the public and asserting our bona-fide and thorough conviction of the safety of the loan, without which unqualified assertion it would certainly not be taken ; of all this you will be fully aware.

The conversations which we have had the honor of holding with you, leave little or no doubt upon our minds as to the safety of the investment. The public faith of the United States is so much mixed up with the matter, that we should not readily permit ourselves to doubt that it presents all reasonable grounds of security.

But we should not wish that our individual opinion should have to throw too great a weight in the balance of public opinion. We should wish to be able to lay such documents before the public as would enable the takers to judge for themselves ; to acquire a conviction from knowledge ; from a due acquaintance with the facts bearing upon the case.

Nor could we, unless some further documents were added, we apprehend, fully meet the objections that might be, and have been started to us, even by persons disposed from inclination and interest to lend powerful aid in placing the stock.

If the canal stock proves good and productive, the matter of the loan will suffer no difficulty ; if circumstances however should lead to a disappointment, not probable we allow, but not wanting in precedents however in both hemispheres we suppose—would in such a case the loans not prove a heavy burthen to the Corporations ?

This question becomes the more important as the putting into action of the power of the President, great as the security is which it gives to the loan, still would only be a last resource, the necessity of recurring to which would be greatly to be deprecated, and which would, de facto, almost become impracticable if it had to be resorted to constantly for a long run of years. The percentage of the tax also seems heavy ; an annual tax of $1\frac{1}{100}$ on real and personal estate, in addition to all other taxes would certainly, if we bring the case home—and if we understand well the meaning of the word *personal*, be deemed oppressive in Holland—and if the canal stock should happen to be unproductive, might perhaps be deemed equally oppressive in the District.

We should be desirous also to receive some elucidation why the precise per centages of $1\frac{13}{100}$, $1\frac{56}{100}$ and $1\frac{58}{100}$ have been determined upon? Fixing thus exactly the rate of taxation allowed for this loan enables Mr. Ingham to say, or at least to appear to say, that the provision for the loan is *limited* to the proceeds of that taxation. Probably however the act or bond which you would have to pass to us in the name of the Corporations would remedy this, by binding as we suppose such a bond would bind, all their property toward the due fulfilment of their obligation,—which coupled then with the depositing the contract at the Treasury, and the general duty assumed by the President to see the Corporations meet their engagements, would make we trust the security good and valid. At all events copies of the appraisements or statements of the assessed value of the real and personal estate mentioned in the act of Congress, section 5, would be highly desirable, if not absolutely necessary, to enable the public, or any one, to form a correct opinion as to the apparent ability of the Corporations to meet the debt with interest and reimbursement at the stated times, *even in case* of the failure of the canal stock. Some general detail about the state of the finances of these Corporations might also be desirable to show their flourishing condition, and the extent of their other debts, if they have any. The Washington debt for instance of one million of dollars would, in case of the canal stock being unproductive, lay a burthen of say 50 *a* 55 thousand dollars a year, and when the reimbursement began of 100 *a* 105 thousand dollars, upon say 20,000 inhabitants. The interest of the city debt of Amsterdam amounts to about 320 thousand dollars to be borne by about 180,000 inhabitants. This we call and find heavy; there are many other taxes and burdens here however, and the proportion of paupers certainly is much greater here, and we are quite willing to admit that the youthful energies of Washington, Alexandria and Georgetown, and their rising condition may enable them to bear with comparative ease what would appear a heavy weight to an older community. It is in an older community however that the money lenders live, and they judge of foreign cities by what is the case where they do live themselves.

A word from you, eventually explaining exactly what is meant by *personal* estate as used in the act of Congress would also oblige.

The obtaining the sanction of the King might take a little time; and as it would be best to defer bringing the loan forward at all until that sanction were obtained, it would be advisable to ask the permission of Government at an early stage of the business—the asking and even the obtaining of the permission involves no necessity to carry the matter into execution.

If circumstances should happen to lead to a correspondence being opened with us on the subject, we should suggest your transmitting us then a copy of the power of attorney from the Corporations, which would be required for the framing of the acts to be passed and executed by you and us conjointly as we suppose, and the schemes of which would have to be discussed and settled before we could move with the public in this matter.

The object being of importance to all that are or might be connected with it, we have made free to trespass thus much upon your time, and which we trust you will excuse. We cannot however dismiss the subject without expressing to you our sincere acknowledgments for the confidence placed in us, thus far, and assuring you that our most candid opinion, and our best exertions as far as we can go, are, and will always be at the free and unrestricted command of your worthy self and of the Corporations you represent.

We have the honor to remain very respectfully, Sir,

Your obedient and humble servants,

(Signed) DANIEL CROMMELIN, & SON.

To the Honorable Richard Rush, &c. &c. &c.

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Mr. Rush to Messieurs Crommelins.

AMSTERDAM, July 23rd, 1829, Doelen Hotel.

GENTLEMEN:

I have received this morning the two letters of yesterday's date (one of them confidential) with which you have been so good as to favor me, and will not fail to give a careful attention to their contents, should circumstances lead to a renewal of our intercourse on the subject to which they relate. In the meantime I beg to assure you, that I estimate properly the full and candid consideration which you have bestowed upon that subject, as I also do the very kind reception which you have given me personally, since my arrival in this city.

For the present, I will barely state, in allusion to a single suggestion in one of your letters, that by the expression *personal property*, I understand to be meant, household furniture, plate, horses, carriages, goods of all kinds, money, and I may say, in short, moveable property of every description, as contradistinguished from houses or land. The latter are denominated by the English law, which in this respect is also our law, *real property*.

I have the honor to remain with great respect,

Your obedient servant,

RICHARD RUSH.

Messieurs Crommelin, & Sons.

No. 11.

Mr. Rush to Mr. Rothschild.

Mr. RUSH presents his compliments to Mr. Rothschild, and now begs leave to send him a paper containing the explanatory remarks or statement respecting the proposed loan for the city of Washington and towns of Georgetown and Alexandria, as authorized by a law of Congress of the United States of America. Mr. R. has had it printed, that it may be read by Mr. Rothschild with the less trouble at his leisure.

Whilst Mr. R. has endeavored as far as possible to avoid encumbering the statement with details, he has found the necessary official facts of the case, with the principles they are connected with, to call for more room than he had anticipated. He hopes that these facts may be found to demonstrate to the judgment of Mr. Rothschild the certainty of the interest and principal being punctually paid on this loan, which is so pointedly under the guardianship of the government of the United States.

August, 27, 1829,

32, Charlotte Street, Portland Place.

No. 12.

Mr. Rush to Mr. Baring.

September 4, 1829, }
32, Charlotte Street, Portland Place. }

DEAR SIR :

In the conversation with which you favored me at your residence in Piccadilly the latter end of June, I intimated

my belief, that, on your house taking a portion of the loan that I am charged with negotiating, say a half or a third, there was another house of undoubted strength would do the same, under the shield of yours. Permit me now to repeat this belief, and to add, that the house in question is that of Mr. Rothschild.

I have not this assurance from Mr. Rothschild, personally; but I hope it will be found that I do not entertain the belief without sufficient grounds.

I would not write thus to you after the letter from your house of the 22d of June, declining the loan, but from having been laid under the impression in the further interview that you favored me with at these lodgings on the 28th of that month before I went to Holland, that, on my failing to effect my purpose in that country, you might not be indisposed to look at the subject on the above basis when I returned.

If I were at liberty to say to Mr. Rothschild, that you would take a half or a third, I have at present little doubt but that he would take the same amount. I had grounds for this belief heretofore, and they are strengthened to day, although Mr. Rothschild is at this moment in Paris.

If you have still no unwillingness to this course, I should understand the terms alluded to by you in the second of the above conversations, to be those on which your consent would rest, viz. the terms made known in the letter of your house to the Treasury Department of the United States of the 13th of January, 1829.

The nature of this letter implies, that whatever consent you may give in relation to the subject, is to be cancelled, at your option, on Mr. Rothschild declining to be concerned in the operation.

I beg to add, that should the towns obtain the loan, they do not want the whole sum at once. It would be most convenient to them to receive it in instalments, the first of which to be payable two or three months hence.

I have the honor to remain,

With great respect, your obedient servant,
RICHARD RUSH.

ALEXANDER BARING, Esquire.

No 13.

Mr. Baring to Mr. Rush.

THE GRANGE, Abersford, 7th September, '29.

MY DEAR SIR :

I have made a short absence from home or your letter of the 4th would have had an earlier answer. Being out of the immediate current of business, I could not take upon myself to answer your proposal positively. The case must depend much on the immediate feeling and inclination of the monied public of which I cannot at this distance speak. I fear, however, that the sort of arrangement you propose would not suit, for reasons which I could explain to you more easily personally than by letter. I will, however, exchange an explanatory letter with my working partners, and you shall hear from me again. There seems a slackness about these securities both at Amsterdam and in London, which I cannot quite account for. They are certainly substantially better than many which circulate very freely, and, personally, I entertain little doubt about them. I conclude that you could not make any satisfactory arrangement with Messrs. Crommelins.

If, in this dull season of the London world, you could spare us a short visit, it would afford the greatest pleasure both to Mrs. Baring and myself. From this day until the 20th you will be sure to find us here. We are 59 miles from town on the Southampton road.

Believe me, dear Sir,

Your humble and obedient servant,

(Signed)

ALEX. BARING.

R. RUSH, Esq.

No. 14.

Mr. Rush to Mr. Baring.

September 9, 1829.

32, Charlotte Street, Portland Place. }

DEAR SIR :

Your favor of the 7th reached me yesterday. I had made known, informally, to one of your partners, the result of my operations in Holland ; but it seems to me that if the loan were taken under good auspices here, it would not want countenance there. That the whole operation would be as secure, and all payments be made with as much punctuality as if Congress were to adopt the loan

in form, as it has substantially, cannot, one would think well be doubted, when the public and authentic facts that have marked the passing of the present law, are borne in mind. Whether the scrip would have the quality of transferrability in the same degree at first; or, if not, with what degree of certainty that quality would in good time be acquired for it, under the experience of dividends punctually received, are questions that I am less able to pronounce upon.

I should be most happy to take advantage of your obliging invitation to visit the Grange; and, building upon the invitation you were formerly good enough to give me, and one very kindly added by Mrs. Baring, I had, until very recently, always been looking forward to that gratification before leaving England, which I am anxious to do before long. But the advancing state of the season, and one of my objects of business being still unfinished, deprive me of the hope of being able to leave town this month.

Requesting to offer my best compliments to Mrs. Baring, I remain, dear sir, &c. &c. &c.

RICHARD RUSH.

ALEXANDER BARING, Esq.

No. 15.

Mr. Baring to Mr. Rush.

THE GRANGE, Abersford, 11th Sept. 1829.

DEAR SIR:

I have to thank you for the favor of your letter of the 9th. I have, since I wrote to you, communicated with my partners in London, and I am very sorry to say that the view they take of the case is so discouraging that, as they are charged with the execution of business, I do not feel justified in acting upon speculative opinions of my own as to the sufficiency of the securities you have to propose. My own opinion is, that the security is substantially good; but as I am out of the way of lecturing the public on this head, I fear we must give up the hope of treating with you. It is above all things desirable that we should state the case plainly, and not mislead you by delusive expectations. I fear, therefore, that I must state the difficulty as it stands, to be insurmountable. It seems that the public have been puzzled lately by the exhibition of a variety of

local stecks, Pennsylvania, Virginia, Ohio, Louisiana, &c. all probably good; but there are so few who have the power of discriminating, that the distrust inspired by the losses incurred from other mistaken investments prevails, and they move very heavily. The security of your three federal towns, under the superintendence of the General Government, would to me be very satisfactory; but the conquering the distrust of the public appears a work of too much difficulty for us to encounter. The guarantee of Congress would make the business quite easy; but as you have tried the Dutch market, and my partners have come to the conclusive opinion as to the state of ours, we must consider that it is not to be done on very reasonable terms without it. The amount wanted is not considerable, and for many reasons it would not suit us to unite with others in the negotiation, which would thereby rather suffer than be improved in the opinion of the public.

I am truly sorry, my dear sir, for this disappointment, should it prove one, as it would have been a great gratification to me to promote your views on this occasion, and as it is further always an object of ambition with me to connect my name with any operation affecting the improvement of any portion of the American Union.

We shall be happy to see you here if you have leisure, and you will be pretty sure to find us at home through this and the next month.

Believe, my dear Sir, truly,
 Your humble and obedient Servant,
 (Signed) ALEX. BARING.
 RICHARD RUSH, Esq.

No. 16.

Messrs. Barings to Mr. Rush.

BISHOPGATE STREET, Sept. 7.

Messrs. Baring, Brothers & Co. present their compliments to Mr. Rush and beg to express their acknowledgments of his kindness in sending them the two printed papers in reference to the projected undertaking, for which the towns of the District of Columbia are desirous of negotiating a loan.

Messrs. Baring, Brothers & Co. have read these papers with the greatest attention, and it appears to them, that the

advantages and security which such a stock would offer for investment, are therein so clearly pointed out, that were other circumstances favorable, the publication of them would very much facilitate the disposal of the certificates.

Messrs. Baring, Brothers & Co. beg to assure Mr. Rush, that the subject of his pamphlet interests them, both from its own merit and from the part he has had in maturing it, too much for them to feel otherwise than most grateful for any communication with which he may favor them in explanation of it.

No. 17.

Mr. Rush to Messieurs Crommelins.

LONDON, September 18, 1829, }
32 Charlotte Street, Portland Place. }

GENTLEMEN :

I had believed until recently, that the house of Messieurs Barings and Mr. Rothschild, would each take one third of the loan of a million and a half of dollars, that I am charged with negotiating ; but the former decline, for reasons however not affecting their favorable opinion of the solidity of the measure. But Mr. Rothschild, I am led to suppose, would still go forward in the measure, if in conjunction with a house known to be connected with American interests, though he might not perhaps be disposed to move in it alone.

It is on this ground that I venture to address this letter to you, with a view to inquire how far you might incline to co-operate with Mr. Rothschild. Your letter to me of the 22d of July, when I had the pleasure of being in intercourse with you at Amsterdam, having reference to an offer for the whole loan by yourselves alone, it has occurred to me that the transaction may perhaps be viewed differently by you, as one to be shared by others, and by others of such undoubted pecuniary power, in this capital. The printed paper of remarks on the subject of this loan, which I transmitted to you on the ninth instant, will be found I hope to meet essentially the points stated in your second or confidential letter to me, of the 22nd of July, apart from all that passed in our personal interviews.

I have the honor to remain with great respect,

Your obedient servant,

RICHARD RUSH.

Mess. Daniel Crommelin, & Sons.

No. 18.

Messieurs Crommelins to Mr. Rush.

AMSTERDAM, Sept. 19, 1829.

SIR :

We have had the honor of receiving your note accompanying the printed remarks on the subject of the proposed loan.

We were under the impression that matters were more advanced in England than we may now infer from that communication—leaving, it would appear, an opening for us still to treat.

We suppose the plan of selling the stock, laying the Corporation under no further obligation than that of providing the funds for interest and reimbursement, at the United States Treasury, would be preferred by you to the other plan we had sketched out at the time.

We are trying whether any thing and what could be done on the plan of a clear sale of the whole stock, and we shall probably have the honor of waiting upon you with a communication next mail.

We should be pleased if we could still be of use to you in this matter, and have meanwhile the honor to remain respectfully and truly, Sir, your most obedient servant,

(Signed) DANIEL CROMMELIN, & CO.

Hon. RICHARD RUSH, *London.*

No. 19.

Messieurs Crommelin to Mr. Rush. [*With enclosure headed Note.*]

AMSTERDAM, Sept. 22nd, 1829.

SIR :

We beg your reference to our respects of last mail, when from some preliminary conversation, we had been in hopes that we should have been able to make you a more positive proposal based on a plan of the clear sale of the certificates. We regret however to have to mention that the final result of our negotiations corresponds with the view we took of the matter, when we had the honor of seeing you here—say that unless exchange is guaranteed both for interest and reimbursement, that there is no chance of effecting the loan here at fair rates. We have however been confirmed, in what we also took the liberty of stating to

you ; say that with the exchange guaranteed, we think it highly probable the money could be raised at a fair rate. We think that for a 5 per cent. stock, we could realize 91, all bonus, expenses, brokerage and commissions off. The new Russian 5 per cent. stock as far as we can trace the matter has yielded about 94, commission, brokerage and expenses off. It is made on the same conditions on which we propose making your loan, say that Russia pays all expenses on the interest and on the reimbursement, and guarantees exchange. The difference, now, between 94 net proceeds for that stock so well known, and a favorite stock for many years in Holland, and 91 net proceeds for the Corporation stock, does not seem to be out of the way. We add enclosed a note of net proceeds and further expenses.

To make you a positive offer we cannot; but if the terms here mentioned should draw your attention, and a further exchange of letters between us should have settled finally all further particulars, and you could then leave us the stock in hand for a fortnight, we have very little doubt but we should in due course be able to advise you that all had been placed.

We want a little time, as we should have to treat privately with sundry of our stock dealers, who would of course afterwards have to endeavour to work it off gradually at some profit; their individual subscriptions going for nothing unless the whole got subscribed for.

We mention 91 as net proceeds, but the stock might as well be stated to be sold as much higher as our commission and expenses would amount to, and those brought in account with the Corporations. We should prefer in that way, not becoming contractors ourselves. This however is matter of form to be settled when making final arrangements.

The saving effected on the interest, paying 5 instead of 6 per cent. the limit of the act of Congress, would it seems be more than enough to compensate the commission, and guarantee for risk of bills, both which will have to be paid by the Corporations in the United States, to the agent appointed for receiving the dividends and reimbursements, and remitting them to us, and also to cover the possible loss on the exchange.

We should wish the agency for the receipt and transmission of the dividends and reimbursements, to be placed with the United States Branch Bank, at Washington. They would then be holders of our power of Attorney, but have

to call upon the Corporations for their commission and surplus, if any should be necessary to provide the fixed amount of guilders in Holland.

We hope we have not gone in those particulars beyond the limits of what discretion will allow. We have a great wish to serve the Corporations if possible, and have been led somewhat to develope what may lead to the object in view.

Having written so far, we have still to acknowledge the receipt of your esteemed favor of the 18th inst. which came to hand this moment. The foregoing is a full answer, begging leave to add that we have found a strong reluctance with those we have been in treaty with here to come forward at all, unless the whole of the stock could be kept together. Any combination with Mr. Rothschild also would have to proceed on the plan of a sale of certificates, which to our regret is impracticable here.

We have the honor to remain respectfully, Sir,
 Your most obedient humble servants,
 (Signed) DANIEL CROMMELIN, & SONS.
To the Hon. Richard Rush,
Late Secretary of the Treasury of the U.S. &c. London.

NOTE.

\$1,500,000, paid for by the subscribers at 40 cents per guilder, and engaged to be repaid to them also at that rate, let the exchange at the time be either higher or lower, making in consequence 3,750,00 florins or guilders, Capital Stock, bearing interest at the rate of 5 per cent per annum, say f50 per annum for each f1000 capital realized; all expenses of the loan, commission, brokerage, bonus, &c. &c. included at 91, f3,412,500; which amount of f3,412,500 would then be the net proceeds of the loan to the credit, and at the disposal of the Corporations on the books of Daniel Crommelin and Sons, to be drawn for by the Corporations to the best of their advantage.

If drawn for from the United States direct on Amsterdam, the net proceeds in the United States to the Corporations would be

at 40 cents	\$1,365,000
40½ “	1,382,062 ⁵⁰ / ₁₀₀
41 “	1,399,125

The further charges would be

1 per cent. commission on the amount of interest,

1 per cent. commission on the amount of reimbursement.

Besides that, we should charge in account current to the Corporation the small charges of stamps, &c. on bills remitted to us for the interest and reimbursement, but which altogether would be a mere trifle.

The stock to begin paying off in 10 years, $\frac{1}{20}$ th each year, making the average duration of the loan 20 years. If longer, the saving on the interest would proportionally be the greater.

No. 20.

Mr. Rush to Messrs. Crommelins.

LONDON, September 29, 1829, }
32, Charlotte Street, Portland Place. }

GENTLEMEN :

I have been favored with your two letters of the 19th and 22nd instant.

Still regretting that you do not feel free to make me a positive offer for the loan, which I should have greatly preferred, I have, notwithstanding, come to the conclusion, after full deliberation, to accede to the general terms stated in your letter of the 22nd, hoping that they may prove, in the end, satisfactory on both sides.

I understand the terms generally to be, a five per cent. stock at 91, commission, brokerage, bonus, and expenses off; or the stock to be stated to be sold as much higher as these would amount to, and brought in account to the corporations. All the foregoing charges, in which I understand commission on paying dividends to be included, with other charges, if there be others, not to leave the borrowers at a higher rate of interest in the aggregate, (apart from the risks of exchange) than five and a half per cent., as was heretofore stated between us at Amsterdam.

The interest to be paid quarterly at the Treasury of the United States, to such agent or attorney (the Branch Bank of the United States for example) as you may appoint to receive it there; the principal to be reimbursed there in like manner. Exchange to be guaranteed to the lender on all payments on account of interest or principal; it being understood, on the other hand, that the borrowers are to have the benefit of exchange on the amount of the loan, as the same may be advanced to them.

The loan to be for thirty years ; but the reimbursement to begin in ten years from the first advance, and proceed at the rate of one twentieth a year, until the whole is paid off.

No objection is perceived to the statements contained on the paper enclosed in your letter of the 22nd instant, it being understood that no expenses are to fall upon the corporations, unless the operation of raising the loan succeed in your hands ; just as the individual subscriptions to which your letter alludes, would go for nothing, unless the whole be subscribed for.

I send you the certificates by a safe conveyance, made up in two parcels. You will perceive that they run in sums of 500, 1000, and 2000 dollars, and are consequently numerous. I do not at present fill up the blanks with the name of your house, not knowing if you would wish this course pursued, or whether you would prefer the whole in only three certificates ; that is, one for the gross amount from each of the towns, issuing your own guilder-bonds upon them, at Amsterdam, afterwards ; or how. I will attend to your suggestions in this respect. Some persons here object to the present form of the certificates as not stating more specially upon their face, for you will see it in the margin, the act of Congress under the authority of which they have validity ; not that this has been made a serious objection, it being obviously one of form only, and that can be cured if required. The certificate must indeed pursue the words prescribed in the act of Congress ; but a heading can be inserted in addition, referring to the act, in the manner proposed on the enclosed paper marked A 2. Should you wish this done, an interval would be required before the corporations could send them out so framed and signed anew. The present ones might stand in the mean time ; or I could sign new ones under my general authority, which I should hope would satisfy the parties until others could arrive. Or, if it would save time, you are at full liberty to fill up the present certificates yourselves in such way as you think may best subserve our main purpose under the law, until we can do better.

If the loan be raised, the towns would not wish the whole sum paid down at once, but in instalments ; say one third on the first of January next, one third on the first of January, 1831, and the remainder on the first of January,

1832 ; or if this be objectionable, the second instalment to be paid on the first of July next, and the last on the first of January following. Interest to begin from the day of paying the first instalment. The first of January next is fixed as the time, as the corporations will want reasonable notice beforehand.

I hope I have stated the essential points ; subject to such further explanations between us as may be necessary.

I will ask it as a favor to hear from you. as soon as the nature of our subject will allow, being anxious to embark on my return to Washington, before the season is too far advanced.

I send enclosed in the two parcels, the powers given to me by the three towns to act on their behalf, with the documents to which they refer.

Repeating my hope that we may arrange matters to mutual satisfaction, begging to express my entire confidence in the fairness of all your views, and flattering myself that we bring, reciprocally, to our negotiation intentions that will prove conducive to a just issue, I have the honor to remain,

With great respect,

Your obedient servant,

RICHARD RUSH.

MESSRS. DANIEL CROMMELIN AND SONS, *Amsterdam*.

P. S. Since writing the foregoing, it occurs to me that it will be best not to send the parcels, this time ; as, according to some views you may take of the subject, it may not be necessary to send all the certificates. There are, I think, though I do not now stop to count, more than sixteen hundred. I will wait your earliest advices, to forward them as you may wish. By this course we may save trouble and not lose time ; for, if we understand each other on the chief points, you can still, perhaps, be going on with preparatory arrangements. I enclose a single certificate as a sample of the whole. Should the operation advance, please to favor me, sketched on a separate paper, with your idea as to the form of filling up the blanks, on the basis of the terms as we may agree upon them.

R. R.

A 2.

Enclosure to No. 20.

CITY OF WASHINGTON, *Mayor's Office.*

Whereas, the Congress of the United States of America, by an act of the 24th of May, 1828, has authorized the corporation of the city of Washington to borrow money for the purposes mentioned in the said act, the act also providing a security for the same, and declaring that the payments due on the money so borrowed, are to be made at the Treasury of the United States; Therefore, in virtue of the said act of Congress,

Be it known, That there is due, &c. &c. &c. [here follow the present certificate as now worded, except as to the dates, and let those for Georgetown and Alexandria have the same heading.]

 No. 21.

Messrs. Crommelins to Mr. Rush.

AMSTERDAM, Oct. 3, 1829.

SIR :

The present will merely serve to acknowledge the receipt of your second favor of the 29th ult. which came to hand this morning, and we shall have the honor of further addressing you at as early a date as we possibly can manage.

There is no necessity, for the moment, of sending the certificates.

As the matter will be advancing it may be well to send on the Power of Attorney, the form or tenor of which may influence as to the form of acts to be prepared here.

We duly found in your favor the one certificate of two thousand dollars.

A reference to the note added to our letter of the 22nd of September, will, we believe, show that we did not mean the price of 91 to cover the expense of commission upon interest and reimbursement.

We have the honor to remain, sir,

Your most obedient servants,

(Signed) DANIEL CROMMELIN & SONS.
Hon. RICHARD RUSH, *London.*

No. 22.

Messieurs Crommelins to Mr. Rush.

AMSTERDAM, Oct. 6, 1829.

SIR :

We refer to our respects of last mail—and have since been engaged in sketching out the various further particulars which have to be settled previous to a positive engagement's being taken with the public.

While occupied therewith, it has plainly appeared to us that it would be more prudent to get the exact draft made out of the bond or agreement, which will have to be passed between us, so that no difficulty or misunderstanding may arise afterwards.

We have therefore furnished our lawyer with the needful, and he has promised to draw out the document, in a very few days. We shall then translate it, and send it on to you, and you may depend that not a day more will be taken, than will be absolutely required to do justice to the matter.

You will then have before you, the exact obligations required to be contracted for the Corporations, and if you assent to them, we may then proceed upon a firm basis. As the matter involves engagements with the public, you will deem it but proper that we wish all matters to be well understood before hand.

The Subscriptions of the public once received, and the sanction of the King obtained, no changes or alterations in the smallest particular would then any more be practicable.

In the conversation we had on the subject with our lawyer, he made the observation, whether the Corporations had authority under the act of Congress, chiefly on account of the uncertainty, necessarily attached in some degree to the matter of the exchange, when gauranteed by them. It seems to us there can be no doubt, but the Corporations have the right to contract those additional obligations, if required to attain the object in view, and that the contracting of these additional obligations could not possibly effect the guardianship of the President, or release him from performing his just and proper duties in seeing the towns fulfil in good faith, any engagements made with their creditors in Europe.

Please however, have the goodness to say a word on the

subject, that we may fully meet any questions of that kind. Perhaps also, your power of attorney may give further explanations, and it will be desirable to receive that as early as convenient, with such other papers as you mentioned would accompany it; if you have a legal copy of the act of Congress, we shall also want that to be annexed to the agreements.

We have the honor to remain, very respectfully, Sir,

Your most obedient servants.

(Signed) DANIEL CROMMELIN & SONS.

Hon. R. Rush, &c. &c. &c. London.

No. 23.

Mr. Rush to Messieurs Crommelins.

LONDON, October 9, 1829, }
32 Charlotte Street, Portland Place. }

GENTLEMEN :

Your favors of the 3rd and 6th of this month have reached me only this morning, owing to a detention of the mails. Their contents, it would seem, promise a satisfactory result to our correspondence.

On turning again to your letter and enclosure of the 22nd of September, I perceive that the price of 91, was not intended to cover the expense of commissions upon interest and reimbursement.

This point shall not divide us; so that I now send, enclosed herewith; 1st. My full powers from the three towns; 2nd. Authenticated copies of the laws of Congress authorizing the loan; 3rd. The ordinances of the Corporations or Towns founded upon the laws of Congress; and, 4th. Statements of the assessed value of the property in each Town. These appear to me at present to comprise all the essential papers. By some omission the laws of Congress are not with the Alexandria papers; but this can make no difference, as you have them with those both of Washington and Georgetown.

The form of the bond or agreement to be passed between us, I leave to you, as you propose; subject to my revision and assent on its arrival here; concurring entirely in the opinion, that it ought to be so clear as to leave no room for future misunderstanding.

There can be no doubt but that the towns may guarantee exchange to the lender. The law of Congress is in

general terms, but broad and clear. Its full latitude necessarily leaves to the parties this and all other arrangements of detail, calculated to effect its main purpose. Besides, this point is one that, in legal contemplation, would be open to advantage on both sides; for should exchange happen to turn in favor of the United States, whilst the loan is running, the towns would of course have the benefit of it. My powers are silent as to this and other arrangements of detail, but my instructions leave me at full liberty to come into it. Equally clear is it, that the towns may raise by loan any sum less in amount than a million and a half of dollars, so that the operation, in effect, does not exceed the fixed limit of interest; it being a maxim in law that the greater includes the less.

Waiting the favor of your further advices, I have the
Honor to remain, very respectfully,
Your obedient servant,
RICHARD RUSH.

Mess. Crommelin & Sons.

No. 24.

Messieurs Crommelins to Mr. Rush.

AMSTERDAM, October 17, 1829.

SIR :

We have the honor to acknowledge receipt of your second favor of the 9th inst. accompanying the power of attorney and further documents.

Having just completed the Conventions, the one of which is for the public here and the other is of a more private nature, we beg to transmit them to you herewith, aware that you must wish to receive them, as soon as practicable.

We shall by next mail, wait upon you with a few explanatory remarks, and if there should therefore be any points in the Conventions, which do not meet with your immediate assent, we beg you will suspend your final opinion thereon, until receipt of our next addresses.

The matter is complicated and of long duration, and many things have had to be looked to in the Conventions, that were either enjoined by law, or recommended by the customs of the place. Regard has also had to be had to the form which the document would assume, when again turned into Dutch.

The substance does not differ from the terms mentioned before ; while bringing the matter on paper, the form alone has had to undergo some modification.

The state of the money market is rather getting a little against us, not however such as to affect our reasonable hopes of success.

We have the honor to remain with great regards,
Sir, your most obedient servants,

(Signed) DANIEL CROMMELIN, & SONS.
Hon. Richard Rush, &c. &c. London.

B

Enclosure to No. 24.

FIRST DRAFT OF THE PUBLIC CONVENTION.

The following Convention, between—

RICHARD RUSH, Esq. citizen of the United States of America, late Secretary of State for the Treasury of the said United States, and now bearer of special powers of attorney from the Corporation of Washington, the Corporation of Georgetown and the Corporation of Alexandria, all in the District of Columbia, for certain therein hereafter mentioned purposes, and which said powers of attorney are and remain annexed unto the original of this Convention, and so deposited at a public notary ; now in London, on the one side—

And DANIEL CROMMELIN & SONS, Merchants, dwelling in the city of Amsterdam, on the other side—

Witnesseth—

Whereas the Corporation of Washington, the Corporation of Georgetown, and the Corporation of Alexandria, all within the District of Columbia, in the United States of America, have made certain subscriptions for shares of the stock of the Chesapeake and Ohio Canal Company, viz: the Corporation of Washington, a subscription of \$1,000,000,—the Corporation of Georgetown of \$250,000,—and the Corporation of Alexandria for \$250,000,— and which subscriptions having been fully sanctioned and made valid by act of Congress of the 24th May, 1828, the said Corporations have by the same act of Congress been empowered.—

1st. To borrow as it may be deemed by them respectively, either necessary or expedient the needful money to

pay their respective aforesaid subscriptions, and to issue certificates of the debt so to be contracted ; and 2nd, To employ an agent or agents for the purpose of effecting on account of the Corporations such loan or loans of money, or of selling the certificates of the stock so created.

All as detailed fully in the said act of Congress, which places the debts to be contracted in virtue of the said act under the special guardianship of His Excellency the President at the time, of the United States, and a legal copy of which act of Congress is and remains annexed in the English language to the original of this Convention, which is to be deposited at the Notary Public.

And whereas in pursuance of the said authorisation, the said Corporations have actually created certificates of stock to the amount of their respective aforesaid subscriptions, say—

The Corporation of Washington, certificates of various sums together, amounting to	\$1,000,000
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The Corporation of Georgetown,	\$250 000
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The Corporation of Alexandria,	\$250,000
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and have appointed the first underwritten to be their agent in Europe, there to sell or realize this stock, handing over to him to that effect the said certificates, and giving him their full and complete powers of attorney to act in their behalf as aforesaid.

And whereas, further, the last underwritten have consented under certain conditions to open a subscription for a loan at their counting house in Amsterdam, to the effect of raising the needful sums of money for the abovementioned purposes; Now therefore the two parties underwritten have agreed and covenanted, and do agree and covenant by these presents, as follows :—

ART. 1.

The first underwritten, acting in his aforesaid capacity as Agent for the three Corporations, authorizes and empowers the last underwritten to open at their counting house, in behalf of the said Corporations a subscription to a loan of f3,750,000 Netherland currency, being the equivalent of \$1,500,000, valuing each dollar at 250 cents Netherland currency, which debt of f3,750,000 is to be on account of, and to be borne by the Corporation of Washington for f2,500,000 by the Corporation of Georgetown for f625,000,

and by the Corporation of Alexandria for f625,000 ; provided however, that the last underwritten will previously have obtained the requisite permission from H. M. the King of the Netherlands, failing which, the present Convention is annulled to all intents and purposes.

ART. 2.

The last underwritten will in course issue 3750 bonds of f1,000 Netherland currency, each numbered from 1 to 3750 signed by them, and countersigned by a notary--each of which bonds will be at the charge of the Corporation of Washington for two-thirds, at the charge of the Corporation of Georgetown for one-sixth, and at the charge of the Corporation of Alexandria for one-sixth.

ART. 3.

The joint takers of those 3750 bonds will in consideration of the money to be paid in by them, for the said bonds, become jointly the true and sole proprietors of the aforesaid certificates to the aggregate amount of \$1,500,000 ; and they will moreover be direct and true creditors of the Corporations in their aforesaid respective proportions, for whatever amount may in addition to the amount to be received for them, at the Treasury of the United States, and at any time be wanted, to meet and discharge fully, and at the stated times the sums of money, which the Corporations do bind themselves by their aforesaid agent, to pay in Amsterdam unto the holders of the said 3750 bonds, both for interest and principal as described and contracted hereafter in this Convention.

ART. 4.

The said 3750 bonds shall bear a fixed interest of 5 per cent. per annum, upon their nominal capital of f1000 Netherland currency each ; the said interest will be payable in Amsterdam, at the counting house of the last underwritten, or of their successors, from 6 months to 6 months, say on the 1st January and 1st of July of each year. And when the said bonds therefore will be issued, there will be added to them a set of half-yearly dividend warrants, each of f25 Netherland currency, payable in succession at the counting house of the last underwritten or of their cashiers, and the first of which dividend warrants will be payable 1st January, 1831.

ART. 5.

The lenders will be made bound to pay in the amount of their subscription, at the counting house of the last underwritten in two instalments, one-half in the course of the month of January, 1830, and the balance in the month of July, 1830; they enjoying interest from the 1st day of the months, in which the payments are to be made against provisional receipts, which receipts will be exchanged for the bonds at the payment of the last instalment, or as soon after as can be; at the payment of the last instalments, the interest then due till the 1st of July, on the first payment, will be paid up and settled.

ART. 6.

The borrowers shall not have power, nor be bound to commence reimbursing the money borrowed until the year 1841—but commencing with that year $\frac{1}{20}$ th part of the amount now borrowed will annually have to be paid off and reimbursed.

To this effect the last underwritten will in the month of May, 1841, and subsequently every year in that month determine by lot, in the presence of a public notary, which of the 3750 bonds will be paid off, the numbers of the bonds drawn out will be advertised in the public papers, and after the day upon which those bonds will be made reimbursable, no further interest will be due or payable upon them.

ART. 7.

The bonds so drawn out and made reimbursable will be payable to the holders thereof, on the 1st July ensuing, and following work days, at the counting house of the last underwritten, or of their cashiers, with f1000 Netherland currency for each bond, and against delivery of the bonds with the unpaid dividend warrants—the said bonds and dividend warrants will then be cancelled in presence of the notary.

ART. 8.

In order to ensure the due fulfilment of the obligations contracted in this present document, the blanks left in the original certificates of the Corporations will as soon as the loan is actually closed, be filled up by the first underwritten, or by a person specially appointed by him thereunto, and made due to _____, _____, _____, _____,

“The Trustees for the Proprietors of the stock”—bearing interest at the rate of $5\frac{1}{2}$ per cent. per annum, from the 1st July, 1830, and reimbursable in succession, $\frac{1}{20}$ th part of the whole on the 1st January, 1841—a second 20th part on the 1st January, 1842—and so on—the stock of each Corporation pro parte—a list of the certificates so made out will be signed by both contracting parties, and then annexed to each of the sets of this Convention.

ART. 9.

The certificates so made out will be deposited in an iron chest to be left at the domicile of a Notary, and to be furnished with four different padlocks, a key of one of which is to remain in the possession of each Trustee—the key of the chest itself remains with the Notary.

ART. 10.

Whereas to obviate the necessity in case of changes in the persons of the Trustess, of having in such cases the certificates cross the Ocean, and consequently run the risk of being lost; there have been no names of the Trustees at the time inserted into the certificates, it is now further stated that the first Trustees will be

A
B
C
D

Who are to have full power to receive by attorney at the Treasury of the United States, the interest and reimbursement that will accrue upon the above said certificates, and generally to do all that is requisite in the premises as good Trustees for the Proprietors of the stock—and

That in case of demise of one or more of the before named Trustees, the survivors, or survivor, will assume another Trustee or Trustees, so that the number of four remain complete—and so by notarial act—a legal copy of which will be transmitted through the agent in the United States to each of the Corporations, and to the Treasury of the United States—and the so assumed Trustess, will jointly with those by whom they have been assumed have full power to receive by attorney, dividends and reimbursements—upon the certificates, and generally to do the needful in the premises, and this power of assumption will not cease or determine, except with the termination of the loan.

ART. 11.

The aforesaid Trustees will pass, and their successors in course of time continue to pass, the needful powers of attorney upon the Branch Bank of the United States at Washington, or upon such other corporate body or person as may in course of time, and with the concurrence and approbation of the said last underwritten, or their successors, be appointed as agent to receive the dividends, and reimbursements that will accrue upon the said certificates, and they will instruct such agent to remit the said dividends and reimbursements to, and to follow therewith the instructions of the last underwritten, or their successors.

ART. 12.

Whereas the payment of interest and reimbursements upon the bonds to be issued in Amsterdam, must also be made in A. to the holders of the said bonds in Netherland currency, and whereas neither the said holders, nor the last underwritten are to be made passible of any loss resulting from the rates of exchange, or from depreciation of paper money in the United States, or of any loss upon, or of bills, or remittances howsoever made, by failures, shipwrecks, or any such and like accidents, or of any commissions or guarantee to be earned by the Branch Bank, or by any other intermediate agent, nor of any risk whatsoever; but that all and every risk of whatever kind or nature it may be, is and remains now and in future and once for all on the account of the borrowers, who are not to be exonerated from the obligations contracted with the holders of the bonds, until the requisite money be lodged in cash, in the hands of the last underwritten. And whereas on the other hand the said borrowers must enjoy the benefit of all sums of money, that may at any time accrue upon and out of the certificates, more than wanted to place in Amsterdam, the amount of guilders requisite for payment there of interest and reimbursement, and likewise must enjoy all benefit that may now and in future result from any favorable turn of the exchanges—Now therefore it is further agreed and covenanted—

That the agent of the Trustees will after having received the sums of money due upon the certificates, employ the whole, or if part be thought sufficient, then part only, to

make to the last underwritten such remittances in bills or otherwise, as will in good time net a sufficient sum in Amsterdam, to meet the payment of interest and reimbursement next due :

That if part only has been used for that purpose, and a surplus be left, as it will probably, such surplus shall then remain provisionally under the agent :

That when a payment of interest, and later also for reimbursement shall have been made in Amsterdam, the last underwritten will cause to be made out the account current of the Corporations :

That if the remittances made with part or the whole of the amount received upon the certificates should not have netted an amount in Netherland currency, large enough to pay interest and reimbursement due at the time ; but have left a deficiency, such deficiency will first be covered by remittances to be made by the agent with the surplus, if any there was still laying in his hands ; and the Corporations will further, each pro parte, have to make immediately to the Agent such further payment, as may be wanted to enable the said agent, fully to remit also free of expenses and risk to the last underwritten, the amount of such deficiency.

On the other hand, if it shall appear from the said account current, that the remittances made by the agent have been sufficient to make the needful net provision in Holland, for interest and reimbursement due at the time, the said surplus will be forthwith paid out and returned to the Corporations, each proportionally, thus settling with the Corporations, each half year.

ART. 13.

Whereas, further, the original certificates might happen to be lost at sea, when sent over for reimbursement ; and that delays might ensue therefrom—it is therefore agreed and covenanted to deviate in this respect, from the customary forms observed at the Treasury ; and to stipulate that the Corporations do consent that the reimbursement will at the time be claimed from, and be made by the Treasury of the United States, upon the production of the powers of attorney of the Trustees at the time.

As soon as the remittances will have been received by the last underwritten, and the bonds drawn out for the

year will have become payable as aforesaid, the certificates of which the reimbursement has been received, will in the presence and with the concurrence of the Notary, be taken out of the iron chest by the Trustees, signed by the said Trustees in dorso for acquittal, and handed over to the American Charge d’Affairs, or to any other person or persons, whom the Corporations may choose to appoint, against a receipt which will be deposited again in the iron chest, until the entire termination of this loan.

ART. 14.

The first underwritten having therefore in his aforesaid quality authorized the last underwritten, in their capacity of Directors of this loan, to receive the money from the lenders, to sign with the signature of their firm, the provisional receipts and the bonds, in which will be inserted and printed a translation made by a sworn translator of this present Convention; and which Convention is to be deposited at the Notary, who will countersign the bonds; the said first underwritten now further proceeds in his aforesaid quality, as fully empowered agent of the Corporations of Washington, Georgetown, and Alexandria, firmly to bind his constituents, the said Corporations of Washington, Georgetown, and Alexandria, in the District of Columbia, viz: each of them for their aforesaid share or proportion, as true debtors on the terms of this Convention, unto the holders jointly and severally of the said bonds to the amount expressed in Netherland currency, for principal and interest in the said bonds, submitting his said constituents, not only to that effect, to the jurisdiction of all judges or courts of justice, but also granting and acknowledging unto the said holders, jointly or severally, the right of privilege and security granted by the act of Congress of the 24th May, 1828, to the lenders of money under that act. Surrogating as far as necessary the holders of the said bonds, jointly or severally into the claims or rights, which the Corporations may each of them have or acquire upon the Chesapeake and Ohio Canal Company—and finally engaging in behalf of his aforesaid constituents, that no circumstance, no that even (which God forbid) of a war between the United States of America and the Kingdom of the Netherlands, shall ever be a motive for not duly and honorably proceeding in the correct fulfilment of all the obligations contracted bona fide in this Convention.

ART. 15.

Finally the first underwritten does elect the *domicilium citandi* and *exequendi* of his aforesaid constituents in Amsterdam, at the office of the youngest Notary, at the time, consenting that all sommatations, &c. be there done and held to be done validly in law and without.

And have the aforesaid contracting parties, in witness of the above, set hereunto their hands and seals—the first underwritten in London, on the ———, and the second underwritten in Amsterdam on the ———, and has the present deed been made in ———.

C.

Enclosure to No. 24.

FIRST DRAFT OF THE PRIVATE CONVENTION.

Whereas,

RICHARD RUSH, Esq. Citizen of the United States of America, late Secretary of State for the Treasury of the said United States, and now bearer of Special Powers of Attorney from the Corporation of Washington, the Corporation of Georgetown, and the Corporation of Alexandria, all in the District of Columbia, for certain therein mentioned purposes, on the one side—

And DANIEL CROMMELIN & SONS, Merchants, dwelling in the City of Amsterdam, on the other side—

Have passed a convention between them relating to a certain Loan for f3,750,000—which the last underwritten will make at their Counting House in behalf of the constituents of the first underwritten—and whereas there have been settled in that convention, which is considered as being here verbally inserted, all those conditions of said Loan which do concern the public, leaving to be settled between the first and last underwritten, all such further conditions as do more immediately concern the last underwritten in their capacity of Bankers of this said Loan.

Now therefore do the aforesaid contracting parties, with full reference to the aforesaid public convention, agree and covenant, as follows:—

ART. 1.

The subscription for the Loan will be opened at the Counting House of the last underwritten, as soon as the obtaining the permission of the King will allow it.

ART. 2.

If the subscription should against expectation not attain the full amount of f3,750,000, but should reach more than three-fourths, the Loan will nevertheless be considered as made, and the 3750 bonds created in full. The bonds not subscribed for, will remain the property of the Corporations, each in proportion to the amount they bear in the Loan, and those bonds will remain with the last underwritten to be by them successively disposed of; but the last underwritten can in no case be compelled to sell them under the price at which the bonds are sold to the first subscribers.

ART. 3.

The interest that may fall due upon the bonds so created, but not immediately disposed of, will as it falls due be carried by the last underwritten to the credit of the Corporations proportionately, and settled each half year in the half yearly account current, which the last underwritten are to furnish.

ART. 4.

The subscription to the nominal capital stock of f3,750,000, will be offered by the last underwritten to the public at —, and if three-fourths or more gets subscribed for, the proceeds of the whole f3,750,000, will on receipt, appear to the credit of the Corporations each proportionately, on the books of the last underwritten at the said price of —, under deduction however out of the last instalment of —, on the whole of the f3,750,000, nominal capital, which said charge of —, the last underwritten will bring in account to the Corporations for all expenses of petitioning, brokerage, registration dues, stamps, paper, printing, lawyers' fees, and all expenses whatsoever required for the creation of the Loan, including the commission of the last underwritten.

ART. 5.

The Corporations will proportionately be debited in account current for the amount of the bonds not immediately subscribed for at the same periods as they will be credited in account current for the proceeds of the whole Loan.

When these bonds so held for the Corporations will be disposed of, their proceeds will be carried by the last underwritten to the credit in account current of the Corporations proportionately.

ART. 6.

The last underwritten will credit the Corporations, proportionately for —, returned commission on the nominal amount of those bonds that are not immediately subscribed for, and they will not bring in that same charge of commission again until the bonds are actually disposed of.

There will be no further charge of brokerages, or any other further charge whatsoever made by the last underwritten for the sale and disposal of these bonds so held.

If these bonds can be sold higher than the subscription price, that benefit will of course be enjoyed by the Corporations.

ART. 7.

If against expectation, the King having given his permission for the Loan, there should be made by the revenue claims for more registration, or higher stamps than such as stated in the law of 31 May, 1824—in that case the deduction for expenses stated in Art. 4, will not be obligatory on the last underwritten—they having assumed the duty prescribed in that article in their calculations of expenses; and it will then be at the option of the first underwritten to allow, or not, the additional charge, to which the last underwritten will state themselves to be entitled; and if the first underwritten should not feel inclined to allow this extra charge, the whole of this, and of the public convention will thereby ipso facto be void and null.

ART. 8.

The last underwritten are empowered to retain out of the last instalment the amount of $3\frac{1}{4}$ per cent. on the £3,750,000, nominal amount of the Loan to meet the 5 per cent. interest for 6 months on £1,875,000 that will be due the 1st July, 1830, and 5 per cent. for 6 months on £3,750,000, that will be due 1st January, 1831—leaving the first dividend warrant which must be provided for, by remittance, that of the 1st July, 1831, and which will then be provided for by the dividends falling due in America, 1 October, 1830, and 1 January, 1831, saving always the obligation for the Corporations

to provide in course for the deficiency, if those dividends should prove insufficient.

As there will on this footing be ample time left for the provision to be made in Europe, the agent in the United States will be instructed by the last underwritten to manage the remittance to the most of the interest of the Corporations—having good care, however, to remit early enough that the remittances can be timely cashed previous to the days appointed for the payment of interest or capital. Allowing thus the remittances out of the October and April dividends to be managed most leisurely, while those to be made out of the January and July dividends must be somewhat more urged.

ART. 9.

In case of losses of, or on remittances, it is well understood, that the last underwritten will apply for replacing those remittances to the Branch Bank, or to such other intermediate agent as may be acting at the time, and that any charge for guarantee which may have to be paid on that account is to be borne by the Corporations all agreeably to Article 12, of the public convention—this however in no case invalidating the primitive obligations of the Corporations.

In case of protested bills, or such like losses, there being no current opportunity here of drawing upon the United States, the last underwritten will consequently, in most cases, have to wait for other remittances to come forward; and if, in such cases, the last underwritten should, notwithstanding their being then perhaps not fully in cash for the payment next due, still make such payment to preserve the honor of the Corporations, they will then charge in account current 5 per cent. interest per annum upon their cash advance, and be moreover entitled to charge an extra commission of 1 per cent. upon that said amount of their said uncovered cash advance.

ART. 10.

The balances which will remain to the credit of the Corporations in January, 1830, and in July, 1830, may be drawn for, or disposed of by the Corporations as they will see fit.

As soon as the sanction of the King will be obtained, and the Loan finally closed for, the last underwritten will

give the needful advice to the Corporations, so they may immediately draw, which, if done directly, on the last underwritten will then entail no further expense whatever in Europe upon the Corporations.

ART. 11.

To facilitate however the drawing of the Corporations, the last underwritten will open credits in London and Paris, to be made use of by the Corporations as their convenience or interest may dictate—such credits to be at the risk and expense of the Corporations, unless the Corporations should wish that the last underwritten should run the risk and bear the expense ; in which case, and on the Corporations stating their wish to that effect to the last underwritten, the said last underwritten are willing to take all risks of the London and Paris houses, and of all bills to be remitted, and all expenses of bills brokerages, and stamps, and commission and postages, attending upon that circuitous drawing upon themselves, the said last underwritten, against a charge of—, on the final guilder amount of the proportion so circuitously drawn for, leaving in such cases only the variations of the exchange pro or contra, on account of the Corporations.

ART. 12.

The last underwritten will be entitled to charge in account current to the Corporations 1 per cent. commission upon the amount, Netherland currency, of the interest, and 1 per cent. commission upon the amount, Netherland currency, of the reimbursement, at the time ; charging the same each time in the half-yearly account current.

The last underwritten will likewise be entitled to charge in those same half-yearly accounts current all actually paid expenses of postages, brokerages and stamps, on the remittances to be received from the Branch Bank, or other agent at the time, likewise cost of advertisements and other similar small expenses, necessary for the due performance of the sundry obligations contracted by the Corporations during the running of this Loan, until it be finally liquidated and wound up.

In all which aforegoing, the first underwritten has, in virtue of his full powers of attorney from his constituents, the Corporations of Washington, Georgetown, and Alexandria, firmly and truly bound by these presents his said

constituents, unto the last underwritten ; and have the last underwritten equally firmly bound themselves by these presents unto the first underwritten in his said capacity, for the due and correct performance of their part of this convention ; in witness whereof, they have respectively set hereunto their hands and seals, viz : the first underwritten in London, on the _____, and the last underwritten in Amsterdam, on the _____, and has the present deed been made in sextuple.

No. 25.

Mr. Rush to the Messrs. Crommelins.

LONDON, October 20, 1829, }
32, Charlotte Street, Portland Place. }

GENTLEMEN :

I have received this morning your letter of the 17th, covering a draft of the two instruments or conventions which you propose as necessary to carry into effect our views respecting the loan.

These instruments I have read over ; but they will require a full and deliberate examination before I can come to a judgment on their contents. This examination they shall have from me, and with a desire to accede as far as possible to all the arrangements of form which the instruments embrace, so that the substantial ends heretofore stated between us, are preserved. I shall also wait the arrival of the further explanatory communication promised in your favor received to-day.

I remain in the mean time, most respectfully, your obedient servant,

RICHARD RUSH.

MESSRS. CROMMELIN AND SONS.

No. 26.

Messrs. Crommelins to Mr. Rush:

AMSTERDAM, Oct. 20, 1829.

SIR :

We refer to our respects of last mail by which we made free to transmit the sketch of the two conventions that will have to be passed between us.

We now beg to add a few explanatory remarks which we hope and trust will lead to the matter being finally and satisfactorily settled—the conditions appearing to us to be quite reasonable and moderate.

We have made some change in the private convention as detailed in the remarks, the first draft originated in our wish to serve the Corporations economically even at the risk of exposing ourselves to the unpleasant feelings which a public failure would create ; but the state of the money market is not improving (interest on deposits being 4 per cent. now, while it was $2\frac{1}{2}$ this Summer) and we apprehend it will continue to grow more unfavorable still for a while to come. We believe, therefore, that the interest of the Corporations requires that we should move in the business here, as speedily as the case will admit of, and we have in consequence finally again come to the plan of a private subscription, which acts quicker, safer, and greatly increases the chances of our placing the whole if you wish it.

When we shall have your assent, we shall immediately transcribe one set on stamped paper and send it over, and then proceed in the matter with all speed.

We have the honor to remain, respectfully Sir, your most obedient servants.

(Signed) DANIEL CROMMELIN & SONS.
Hon. RICHARD RUSH, &c. &c. &c. London.

D.

Enclosure to No. 26.

EXPLANATORY REMARKS ON THE PUBLIC CONVENTION.

ART. 6.

We perceive that 3,750 is not divisible by 20, it will be the same, however, to the public here to have the reimbursement run twenty-five years, and this making the average duration of the loan $22\frac{1}{2}$ years, will also make the charges proportionally lighter.

We suppose twenty-five years will suit the number of the certificates, making the reimbursement for Washington 40,000 dollars a year, and for Georgetown and Alexandria 10,000 dollars a year each.

ART. 8.

The filling up of the certificates to the Trustees without adding names, liable to frequent changes while the loan runs, has been deemed the best plan—the same plan we must suppose to be adopted frequently when public institutions, for instance, invest money in Stocks.

Mr. Rush will have the goodness to see whether some additional proof or form may be required for the acting Trustees to justify their quality.

The filling up $5\frac{1}{2}$ per cent interest in the certificates, it is evident, causes only a temporary deposit of the Corporations operating as a security to the lenders, by extending the immediate guardianship of the President, providing to a certain amount ready funds for charges and contingencies and facilitating the half yearly settlements.

The Corporations, however, positively contract only a 5 per cent debt; and the moment it is ascertained that the net amounts required have been provided for, the deposit, or the balance thereof, is immediately returned, as fully explained in Article 12.

ART. 11.

There must be added at the end of this Article—

“ The first offer of this Agency will be made, consequently, by the Corporations to the aforesaid Branch Bank of the United States at Washington, with earnest endeavors to come to a satisfactory conclusion with that said establishment.

“ All charges or commissions of the said Branch Bank, or of any other intermediate agent, will be by them brought in account and charged to the Corporations pro parte, and in no case charged to, or claimed from the Trustees, the last underwritten, or the holders of the 3,750 Bonds.”

ART. 13.

This could not be managed otherwise, as the lenders here could of course not part with the certificates until reimbursed here, the loan being contracted here—nor can any inconvenience or risk result from it to the Corporations with the precautions taken in their behalf, as stated towards the end of the Article ; nor can the Treasury of the United States in this particular case make difficulty, it seems, about this deviation from customary practice, enforced by the circumstances of the case.

ART. 15.

This is customary in all similar cases.

E.

Enclosure to No. 26.

EXPLANATORY REMARKS ON THE PRIVATE CONVENTION.

ART. 1.

To be changed as follows, that it may accord with the changes in Art. 4.

“ The last underwritten will open at their Counting-house
 “ a private subscription for the stock of this loan, as
 “ soon as the obtaining the permission of the King will
 “ allow it, or sooner conditionally, if they shall deem it
 “ advisable, with the fluctuating state of the money
 “ market.”

ART. 2.

The proportion of $\frac{3}{4}$ ths may be changed by Mr. Rush, as he may see fit. We have inserted that clause and in that proportion—

1. Because we do not suppose Mr. Rush would let the whole matter fall through for the sake of some small deficiency—
2. Because if the Corporations did even retain some proportion like $\frac{1}{4}$ th, there is a chance that it might turn to the interest of the Corporations, as we should probably gradually sell off the bonds above the subscription price—
3. Because the instalments being made rather sooner than Mr. Rush would wish, although not more so than required to find favor with the public, this clause affords the means of in effect retarding one instalment, the Corporations enjoying interest until the day the bonds are actually sold, and which may be delayed awhile if the Corporations do not want the whole in 1830.

At the end—

“ Under the price at which the bonds are sold to the
 “ first subscribers,”—*must be changed into,*
 “ Under the price of the public subscription day here-
 “ after mentioned in Art. 4.

ART. 4.

The words “ *to the Public*” to be altered into “ *to the Subscribers*”—

First Blank to be filled up 96,
 Second - - - 96,

Third - - 4½,
 Fourth, - - 4½,

and to be added at the end of Art. 4—

“ The subscription mentioned in the beginning of this
 “ Article, it is well understood, is a private subscription
 “ which the last underwritten will offer to such Brokers
 “ and Stock-dealers as they see fit ; and as it is probable
 “ that they will afterwards hold a public subscription
 “ day at a somewhat higher rate for account of the pri-
 “ vate subscribers, it is equally well understood, that
 “ whether such public subscription at a higher rate does
 “ actually succeed or not, such does in no manner con-
 “ cern or affect the Corporations who, after the last Un-
 “ derwritten, will have declared that the private sub-
 “ scription has succeeded in manner aforesaid, will have
 “ thereby secured for the Stock the price of 96 gross,
 “ or 91½ net, always saving the final sanction of the
 “ King.”

We had contemplated to offer the loan direct to the public, thereby effecting a saving for the Corporations in the price ; but the state of the money market has rather grown less favorable, and we do finally think some saving in the price would not compensate—

- 1 *The most unpleasant possibility of a public failure—* even if the private subscription did not succeed, the credit of the Corporations would not suffer ; while it would, in case of a public failure—
- 2 Nor the *loss of time* during which we must continue to run the chances of the changes in the money market for which the worst time of the year is coming on. If we proceed on the plan of a public subscription, we must wait until we have the King’s sanction ; whereas with a private subscription we may conditionally make sure of the matter as soon as the conventions are signed. We repeat that we have little or no doubt but the private subscription will succeed to full satisfaction.

ART. 6.

The blank to be filled up 2.

ART. 7.

This is merely a clause of prudence, there being in fact not the least apprehension of such additional charge.

ART. 8.

It may be well to direct the attention of Mr. Rush to the loss of interest which results to the Corporations from our retaining here $2\frac{1}{2}$ per cent interest for the six months interest on £3,750,000 from 1st July, 1830, to 1st January, 1831, the interest in America notwithstanding also running from 1st July. This, however, is so entirely an unavoidable consequence of the loan being made in Europe, that it is perhaps needless to dwell upon it. The money must of course have time to travel from the United States to Amsterdam, and being generally in bills st 60d. sight, and otherwise occasionally subject to delays, the dividends must of course be paid in the United States by the Corporations, and put in train of being remitted a while *before* needed for payment to the bond holders. The matter also would else not work well at the reimbursement. The Corporations reimburse on 1st January; but we do not reimburse here until 1st July, and have of course to pay interest until that date—Unless, therefore, the dividends in the United States are set in train of anticipated payment and of anticipated remittance, it is clear that there would be no funds here for the last six months. In the manner we have now arranged this loss of interest, which is unavoidable, it will all work regularly—the Corporations cease paying interest in the United States the day they pay off the certificates, and we continue notwithstanding to have provision made to us until we reimburse here.

We may add, also, that it is advisable to assume rather ample time for the transmission of dividends and reimbursement, the honor of the Corporations being at stake in making provision in time, and communications not being always as easy and rapid as at present. During the late American war, we frequently received letters three and four months old. It will, moreover, allow the Agents in usual times, to manage the remittances to the greatest interest of the Corporations.

The charge which this unavoidable loss of interest entails upon the loan, also, is not great: reduced in the same shape of a per centage of interest, we find it is little more than 1 per mille additional interest, yearly, for the $22\frac{1}{2}$ years.

ART. 11.

Blank to be filled up 1st.

This article is merely added for the convenience of the Corporations, and to enable them to derive full advantage from the exchanges.

 No. 27.

Mr. Rush to Messrs. Crommelins.

LONDON, October 23, 1829, }
 32, Charlotte Street, Portland Place. }

GENTLEMEN:

I have to acknowledge the receipt of your favor of the 20th instant, with the enclosures which it contained.

I had fully reflected, since my last, upon the matter of the two Conventions, and although acceding to them, in the main, had prepared some modification of some of the clauses to submit to you; particularly of that by which the Corporations will incur a loss of interest in the beginning. Under this last head, I had intended to propose, that the first instalment should be paid on the first of April, and the second on the first of October next, and no interest commence until the first of April.

But since your letter of the 20th, and its explanatory enclosures, I am content, on the whole, to forego the alterations I had intended to urge.

In pursuing this course I am greatly influenced by your representations of the state of the money market with you, at the existing moment, and your opinions of it prospectively. Upon the former I have unbounded reliance, and pay every respect to the latter. I am, therefore, willing that the agreement should be closed between us, without throwing ourselves longer upon the contingencies of time, which a prolongation of our correspondence would necessarily lead to.

Making the operation depend upon a private subscription, as explained in your letter of the 20th, is far more agreeable to me than as it stood before; as a failure under a public subscription would have acted injuriously upon the credit and dignity of the towns, which I am bound to cherish.

The clause giving validity to the operation, though less than the whole sum should be subscribed by one fourth, is in no degree objectionable with me.

Having said thus much, I will only for the present add, that if you will send over the Conventions to me duly prepared, as explained and amended by your letter and enclosures of the 20th, I will be ready to sign and execute them on my part.

I will also forward the certificates by Tuesday's mail, if practicable, remaining,

Most respectfully,

RICHARD RUSH.

Messrs. CROMMELIN AND SONS.

No. 28.

Mr. Rush to Messrs. Crommelins.

LONDON, October 26, 1829, }
32, Charlotte Street, Portland Place. }

GENTLEMEN :

My last letter to you was on the 23d, and my last but one on the 20th of this month. The present letter will be accompanied by the certificates, as promised, which Messieurs Gowan and Marx will forward for me by the steamboat to Rotterdam ; and, through their correspondent in that city, Messieurs Collings and Maingy, you will, I hope, receive them as soon, or nearly as soon, as this letter gets to hand.

To fill up the certificates to the Trustees, without adding names liable to frequent changes while the loan runs, will certainly in my opinion be the best plan, as intimated in your explanatory remarks on the public Convention. Indeed, this plan seems unavoidable to secure the main object, or at all events to save great trouble ; as, by the law, there can be no transfer of the certificates as signed by the towns, when once duly issued, except at the proper offices of the towns, personally or by attorney.

But I am uninformed as to the names of all the Trustees, and to guard against error on this and other formal points in the filling up, for they will be but formal after the substantial points are settled by the Conventions between us ; and also to prevent delays, I have judged it best to leave the filling up with you. To this end, I have taken the liberty to enclose a power of attorney that I have prepared, and had executed before the Lord Mayor of London. I send all the certificates, but you will be pleased to return me such of them as, by your plan of fil-

ling up, or otherwise, may not be wanted; for, of course the filling up will not go beyond the sum which the towns actually borrow, and in no case exceed the aggregate sum appearing at present on the face of the certificates. In the Washington and Alexandria parcels will be found a few extra certificates that were signed to guard against accidents, which will also be returned if not wanted.

It does not appear to me that any additional proof will be required for the acting Trustees to justify their quality, since their possession and ownership of the certificates, will be their ample warrant. These will form the basis that will sustain their own derivative acts; which will, moreover, be naturally facilitated by the faith and confidence which the Trustees, by their own standing, will find with the public.

You will be pleased to transmit me a list of the certificates after you have filled them up, should the loan be raised, denoting their respective numbers, dates and sums, and the persons or Trustees in whose favor they will be filled up, so that I may cause it to be deposited with the Secretary of the Treasury of the United States, as soon as practicable. The law says that it should be deposited within ten days. This was a point considered before I came away, but as it is plainly one intended for the satisfaction of the lender, he making no objection, it is of no importance. The law forces no one to do an impossibility, and the loan being negotiated in Europe, as was previously known to the Secretary of the Treasury, to deposit the list as soon as practicable will sufficiently meet the true and only object of the law in this particular, viz. the more firm security of the lender.

Should the loan be raised, I shall also have to ask the favor of *four* copies or sets of *each* of the Conventions, in addition to the single one of each, as promised in your letter of the 20th instant. These four copies, to be each executed by you in equal and due form, that I may execute them in the same way, and send one to each of the three towns, and the fourth to be deposited with the Secretary of the Treasury. The fifth copy I must reserve to take over myself, to guard against the possible loss of those that will be sent.

Allow me to add, that should there be any difficulty in obtaining the sanction of the King of the Netherlands to

the loan, and it be supposed that the good offices of Mr. Hughes, our Charge d'Affaires, could be of any avail, I doubt not that he would freely interpose them, as the public statutes of the United States upon which the operation is founded, are well known to him.

I have the honor to remain, &c. &c. &c.

RICHARD RUSH.

MESSRS. CROMMELIN AND SONS.

F.

Enclosure to No. 28.

Power of Attorney from Mr. Rush to Messrs. Crommelins.

WHEREAS, the Corporation of the City of Washington in the District of Columbia, being duly authorized thereto by an act of the Congress of the United States of America, passed on the 24th of May, 1828, has constituted in the manner prescribed by the said act, certain certificates of stock, in sums of five hundred dollars, one thousand dollars, and two thousand dollars, amounting in the whole to the sum of one million of dollars; and the Corporation of the town of Georgetown in the said District, has constituted under the said act certain certificates of stock, apportioned in the same sums, amounting in the whole to the sum of two hundred and fifty thousand dollars; and the Corporation of the town of Alexandria in the said District, has constituted under the said act certain certificates of stock apportioned in sums of five hundred dollars, and one thousand dollars, amounting in the whole to the sum of two hundred and fifty thousand dollars; and blanks have been left in all the certificates aforesaid for the names of the persons to whom, when sold, it was intended they should be duly issued for the purpose of raising, by loan, certain sums of money authorized by the act of Congress aforesaid, to be borrowed by the said Corporations for the purposes therein mentioned: And I, Richard Rush, of the City of Washington aforesaid, but now in London, am fully empowered by the said City and Towns to fill up the said blanks with the name or names of any or all such person or persons, as might be necessary and proper to give to the said certificates due effect under the act aforesaid, and to change the

apportionment of the sums as at present inserted in the said certificates, keeping always within the limit of their aggregate amount, and to make all necessary insertions as to dates :—

Now therefore be it known to all to whom these presents shall come, that I, the said Richard Rush, in virtue of my full power as above, do hereby authorize and depute the house of Daniel Crommelin and Sons, of Amsterdam, to fill up the said blanks in my stead, and also to change the apportionment of the said sums, if necessary, and to insert all necessary dates : Provided, always, that the aggregate amount of the sums as at present expressed in the said certificates by each Corporation on its own account, be not exceeded : Provided, also, that no sum be inserted in any one of the certificates for a less amount than one hundred dollars : And provided further, that in the said filling up, and changes, and insertions, the said Daniel Crommelin and Sons have reference to the terms of two certain conventions or agreements, made between them and the said Richard Rush, acting on behalf of the City and Towns aforesaid, of and concerning the aforesaid loan, and bearing date the —————, 1829 ; it being well understood that this power of substitution is given for the purpose of carrying into full and just effect the said conventions, without departing from them.

In witness of all which, I have hereunto set my hand and seal, at London, this 26th day of October, in the year of our Lord one thousand eight hundred and twenty-nine.

R. R. [SEAL.]

Signed and sealed in the presence of two witnesses.

N. B. The probate of the Lord Mayor was obtained, in due form, to the above instrument.

No. 29.

Messrs. Crommelins to Mr. Rush.

AMSTERDAM, Oct. 27th, 1829.

SIR :

We have the honor to acknowledge the receipt of your esteemed favor of the 23d instant, and have taken due note of the contents.

We beg, in consequence, to wait upon you herewith with one set of the Conventions, which we have just been able to get ready. Both may be signed by you on one and the same day. When received back from you we shall then sign them here.

We have not filled up as yet at the end, the number of copies, not being quite sure as yet how many we shall want. That may be filled up afterwards. Please in the meanwhile, however, mention to us how many copies you wish to have for you. We shall send a full set to the Treasury.

The time of reimbursement has also had to be left open until we can ascertain the division which the certificates will allow ; if you should, therefore, not have sent them on pray let us have a list. We cannot move at all here in the asking of the permission of Government until all those points are fully settled, not the least change being allowed after the sanction is given, without another recurrence to the King, to whom we have to submit a copy of the public convention annexed to our petition.

We have finally deemed best to leave open in the private convention the subscription price, because the turn which the money market has been taking is not favorable. There has been much speculation in Stocks lately, and money has already advanced to $4\frac{1}{2}$ per cent. and we apprehend will go higher. We regret, therefore to have to say that we begin also to apprehend that the bonus of 4 per cent will not be sufficient. At this moment we believe it would be taken at 5 per cent. making the subscription price 95 instead of 96, as we proposed in our last to fill up the blank. Pray consider whether and what latitude you can give us ? We deem it needless to say that we shall strive to remain *within* your limit, if at all possible. The moment is not propitious in our money market, and if other considerations did not militate against it, we could wish that the whole matter could lay over until Spring, or at least some time after New Year, when the pressure rather habitual in the money market in November and December, usually changes for a better feeling. We still continue, however, to think that at 95 we may succeed, and if you cannot come lower than 96, we shall give the matter the trial.

We hope to have your answer on Monday next, and are busy in the meanwhile preparing the necessary papers in Dutch for the subscription.

We propose leaving the making out of the other copies of the conventions until the loan be contracted for.

We have the honor to remain, very respectfully, sir,

Your most obedient servants,

(Signed) DANIEL CROMMELIN & SONS.

Hon. R. RUSH, &c. &c. &c. London.

P. S. We deem it superfluous to add, that nothing is to transpire here until we open the public subscriptions. There would be an opposition else, on which we could better explain verbally; and it is on that account, also, that the sooner we can move the better.

No. 30.

Mr. Rush to the Messieurs Crommelins.

LONDON, October 30, 1829, }
32 Charlotte Street, Portland Place. }

GENTLEMEN:

I am favored with your letter of the 26th instant, transmitting the two conventions for my signature, which I herewith return signed and executed in due form.

I beg to refer you to my letter of the 27th, by which you will see that the certificates have been sent. They went by the Rotterdam steamboat of Wednesday morning, and I am happy to infer from your favor received to-day, that should they reach you safely, as I trust they will, time will have been saved by this early transmission of them.

Of the conventions, I continue to wish the number of sets mentioned in my letter of the 26th, viz: *five* of each, should the loan be raised; it being my wish to send one set for deposit at the Treasury Department, in addition to the set which, under the law, you also will deposit there.

I hope that the operation may succeed according to our past understanding, as I am content with the terms, but do not feel myself able to come lower than 96.

Various considerations prevail with me against any postponement of the matter in hand until the spring, or even until after new year. As at present advised, I should prefer, to this course, a report of my proceedings to the com-

munities I represent; leaving those communities open to any new course; subject to whatever order Congress might take on the occasion, should the matter come to be laid again before that body. The formal blanks left in the conventions I have signed, you will be pleased to fill up as necessary, under the terms agreed.

With great respect,

I have the honor to remain, &c. &c.

RICHARD RUSH.

Mess. Daniel Crommelin, & Sons.

No. 31.

Messieurs Crommelin to Mr. Rush.

AMSTERDAM, Oct. 31, 1829.

SIR :

We beg your reference to our respects of the 27th inst. and have since your esteemed favor of the same day.

We have duly found therein your power of attorney upon us for the filling up of the certificates; which we trust will answer every purpose. Should we succeed in raising the loan, we shall duly use the said power, and return such certificates as will not be wanted, in the way you direct.

We must however take up part of your esteemed favor; say the extract given at foot.

You there desire us to state in the *List*, not only the *numbers, dates and sums*, which will all be complied with, but also the *persons or trustees*: this coupled with the expression you make use of in an earlier part of your same letter; say "But as I am uninformed of the *names* of the trustees," makes us apprehensive of some misunderstanding on this head—it being clearly stated however in Art. 8, and Art. 10, of the *Public Convention*, that *no names* of the trustees will be inserted in the certificates; but that the certificates will literally be filled up as stated in Article 8, to "*The Trustees* for the proprietors of this stock."

The certificates being thus made due to *the trustees* at the time; and the *Convention* declaring the *names* of the first trustees, and providing how those first trustees are to assume other trustees in case of demise, we cannot possibly think that there can be any difficulty. We must dwell on this subject as it is one of primary importance, and that we must be sure that the powers of the trustees, whoso-

ever they are at the time, (provided their right to act as trustees be substantiated either by their being named in the Public Convention, in which we shall fill up the names when finally executed, or afterwards by the Notarial act of assumption, that their powers of attorney, we say, be duly respected at the Treasury—which is the essential point in this matter. The filling up of the certificates to *the trustees*, and not as usual to *A and B, as trustees*, being perhaps some little deviation in form; it is obvious however, the thing must be arranged in that way—for if the names of the trustees were in the certificates, all the certificates would have to cross and re-cross the ocean at every demise of any one of the trustees, as we wish to have always four acting trustees.

We hope you will have given us some little latitude in consequence of our respects of last mail—having been fully confirmed, by preparatory conversations, in our apprehensions that 95 per cent. is the highest rate at which the private subscribers are likely to come forward freely.

The new 4 per cent. Austrian loan will very soon be in the market here also; and we believe there are other calls on the money market in contemplation—this however, of course, entirely confidential—that Austrian loan has been brought out at Vienna by the contractors at 86 per cent; but the government has had to give it much lower to the contractors—*it is said* (but we do not vouch for it,) as low as 77; and we continue therefore to believe it for the interest of the Corporations to close if we can.

We note that you will wish five copies of the conventions for your own use, and shall send them on. We shall, of course, delay making all those copies until the loan be closed and sanctioned.

We have not the least doubt but the sanction of the King will be readily obtained. We shall, in case of difficulty or demur, avail ourselves of Mr. Hughes's, good offices.

We shall also have to apply in course to Mr. Hughes for the authentication of sundry signatures on the powers and copies of acts transmitted.

We hope to have the honor of hearing from you on Monday, returning the conventions; and have meanwhile that of remaining respectfully, sir,

Your most obedient Servants,

(Signed)

DANIEL CROMMELIN, & SONS.

(The certificates have just come to hand from Rotterdam.)

To the Hon. Richard Rush, &c. &c. London.

EXTRACT.

“ You will be pleased to transmit me a *list* of the certificates after you have filled them up, should the loan be raised, denoting their respective numbers, dates, and sums, and the persons in whose favor they will be filled up,” &c.

No. 32.

Messieurs Crommelins to Mr. Rush.

AMSTERDAM, Nov. 3, 1829.

SIR :

We beg to confirm our respects of the 31st, and have to acknowledge receipt of your esteemed favor of the 30th ultimo, returning us the signed conventions, in which we shall fill up the needful and also sign them.

We note that you cannot come lower than 96—and we are in consequence going on with the trial at that rate. We shall be pleased if we may next post day be able to give you pleasing accounts.

We have received the certificates, and inclose a list, such as we formed, and now hold them. The number 25 will suit for division ; and we have, in consequence, made the reimbursement run 25 years, of which please take note.

We remain with great regard, Sir,

Your most obedient Servants,

(Signed) DANIEL CROMMELIN & SONS.
Hon. R. RUSH, *London.*

P. S. We had this evening a conference with our leading subscribers ; and if it leads to any thing in time, we shall still address you a line by the late mail of this night.

No. 33.

Messieurs Crommelins to Mr. Rush.

AMSTERDAM, November 3, 1829.

SIR :

We refer to our respects of this day by the Steam-boat, and have but a few minutes left for the mail—and wish to avail ourselves thereof to say, that we are making good pro-

gress in the subscriptions, and trust by next mail to be able to advise you that we have closed. Money has been growing rather more abundant these days and stocks rising, which has assisted us.

We have the honor to remain with great regard, Sir,

Your most obedient servants.

DANIEL CROMMELIN & SONS.

Hon. RICHARD RUSH, &c. &c. *London.*

No. 34.

Mr. Rush to Messieurs Crommelins.

LONDON, November 6, 1829, }
32, Charlotte Street, Portland Place. }

GENTLEMEN :

Your esteemed favors of the 31st of October, and the two of the third of this month, have all got to hand ; the first yesterday, the two others this morning. I am very glad to find that all the certificates reached you safely.

There will be no misunderstanding as to the manner of filling them up ; though perhaps the wording of the parts of my letter to which you refer in yours of the 31st, may have been calculated at first to give such an impression. Certainly, they are to be filled up as stipulated in the 8th article of the public Convention, viz : to "the Trustees for the Proprietors of the stock ;" and the Trustees will be kept up as provided in the 10th article. Some name or names must, it is true, appear at the Treasury, that it may be known there who is entitled to receive payments. This is all that the Treasury will need to know in this respect ; and this it will know by the fact of your own names being affixed to the public Convention, which will be of record at the Treasury. There can be no doubt but that the powers of attorney of the Trustees, your own for example, or of whomsoever may be the Trustees at the time, under article 10, will be respected at the Treasury. The Convention itself, the primary instrument, will thus be explanatory of the mode in which the certificates are to be filled up ; and all that I shall want will be, a list of them as they will actually have been filled up according to the Convention.

In the power of attorney sent on to you, I perceive that I omitted to say that you would insert the necessary *numbers* on the certificates as well as the dates ; but the ap-

portionment of the sums being changed, the numbers of the certificates will necessarily be changed too ; and you will as matter of course make the numbers conform, in the list that you will send me.

I notice what is said in your favor of the 3rd instant, first written, as to the reimbursement running 25 years, which is satisfactory.

Waiting your advices by next mail, and trusting that they will announce a good issue,

I remain, as always, &c. &c.

RICHARD RUSH.

Messieurs CROMMELIN & SONS.

No. 35.

Messieurs Crommelins to Mr. Rush.

AMSTERDAM, November 7, 1829.

SIR :

We beg your reference to our respects of the 3rd per steamboat and mail, and have now the pleasure of advising you of our having succeeded in placing for account of the Corporations, the whole of the 3750 bonds, by private subscription at 96 per cent.—say 96 per cent. agreeably to the terms of the Convention—the papers are all at the Hague already, and we trust that we shall soon receive the permission of the King.

One of the subscribers it seems has not kept the secret, and the matter has grown more or less public—we should have preferred that it had remained secret, until we offered the stock publicly, but it is of no consequence, and it cannot be helped, nor did we in fact expect it would remain secret when once known to sundry Brokers.

We have, after all, hit on a good moment for the private subscriptions. On Monday evening our hopes of success still were faint ; but we prevailed upon our leading subscriber, and the others followed. The incipient publicity has even been of use to us, as the Brokers and Stockdealers to whom we had made our application, saw the necessity of coming forward at once and closing the matter before it got more talked over.

We are much gratified in having brought things to this point, and hope all will now further move smoothly.

We shall be obliged to you for a few more copies of the

printed "Remarks," and we should also be much obliged to you, if you would let us have the letter from Mr. Ingham, and any other original letter or document, bearing upon the case that you can spare, not for the sake of using them, but the the matter being so far concluded here, those letters, &c. can be of interest to no one as much as to ourselves, to keep laying with us as the elements of the moral evidence, which established our belief in the entire safety of the loan—the above request we trust will be viewed by you in its proper light, and we flatter ourselves be readily acquiesced in, assuring you that we shall consider your compliance as a particular favor.

We shall expect to have the honor of hearing from you, in reply to our last, and remain respectfully, Sir, your most obedient servants,

(Signed) DANIEL CROMMELIN & SONS.
Hon. R. Rush, &c. &c. &c. London.

No. 36.

Mr. Rush to Messieurs Crommelins.

LONDON, November, 10, 1829, }
 32 Charlotte Street, Portland Place. }

GENTLEMEN :

Your letter of the seventh instant got to hand this morning, and I learn with great satisfaction from it, that the whole loan has been taken by private subscription.

You will I hope have received by or before this time, my letter of the sixth. The further papers to which you allude, I will be happy to send by the next mail.

I have the honor to remain, &c. &c.

RICHARD RUSH.

Messieurs CROMMELIN & SONS.

No. 37.

Mr. Rush to Mesieurs Crommelins.

LONDON, November 12, 1829, }
 32 Charlotte Street, Portland Place. }

GENTLEMEN :

In pursuance of the wishes expressed in your letter of the 7th instant, I now enclose Mr. Ingham's letter, with half a dozen copies of the printed Remarks which I drew up on the loan.

I have added authentic copies of the other correspondence between the Treasury Department and the house in this city to which Mr. Ingham's letter is addressed.

I have various other documents bearing upon the general subject of our correspondence, especially on the canal; such as surveys, estimates, official reports, maps, public laws, &c. &c. Most of them are in print, and were published by order of Congress or the State Legislatures. I do not send them, because they are bulky, and because the set that I brought over has got a little mutilated, and even a little broken, by frequent use and lending here; all not being, at this moment, in my possession. But on my return to Washington, which will be at the earliest day after our correspondence closes, I will be happy to be the means of having a more perfect set in all respects collected and transmitted to you, should you think it desirable, than it would now be in my power to furnish.

Permit me to repeat the anxious wish I have to be able to embark, as soon as circumstances between us will allow. The necessity for me to sign the list of the certificates, as mentioned in the eighth article of the Public Convention, will, I presume, be superseded by the power of attorney sent with my letter of the 26th of October; the object of which was, and the effect of which will be, to give validity to the certificates as now signed by the proper officers of the towns, on your filling them up according to the stipulations of the Conventions; after which an authentic list may perhaps be taken in some other way to meet your views. But if you think otherwise, I will of course be ready to sign the list, my only motive for wishing to be exonerated being, the fear of its delaying my return home.

The certificates not wanted, you could perhaps have the goodness to cause to be made up in a secure parcel and sent to my address, Washington, by the first ship from your port, to Georgetown, Alexandria, Baltimore, Norfolk, or Richmond, which would probably place them at their final destination nearly or quite as soon as I should convey them there, and as safely; and might avoid my being detained here waiting for them. They would thus also avoid a double sea voyage.

I have the honor to remain, &c. &c. &c.

RICHARD RUSH.

MESSRS. CROMMELIN & SONS,

No. 38.

Messieurs Crommelins to Mr. Rush.

AMSTERDAM, Nov. 13, 1829.

SIR :

We have your esteemed favors of 6th and 10th instant, and duly note their contents. We are pleased to see that a perfect understanding exists on the subject of the filling up of the certificates—and we shall in course furnish the list in due order.

We shall expect to have the pleasure by next mail to receive the promised papers, &c.

We have not yet received the sanction of the King. One of us is at the Hague to press the matter as much as circumstances will allow. The highest authority is favorably disposed ; but the unusual form of the transaction has led to some difficulties being made from one of the Departments as to the proportion of stamps, &c. all of which, however, we trust, will be ere long removed.

We are gratified to see that you appear pleased with our having placed the whole of the stock by private subscription. The moment we shall have the permission of the King, the public subscription day for account of the private subscribers will be held, and we think it will go off well. Others seem to feel with us that the matter of the loan is so intimately connected with the general government, and that the act of Congress on the faith of, and under which, we move, provides such good security, that confidence is rapidly generating we believe with the capitalists that are gradually made acquainted with the particulars of the loan. Although without immediate interest in the result of this public subscription day, still it will be desirable for the Corporations that that public subscription fills rapidly ; enabling thereby also the private subscribers readily to meet their engagements—and as many of our leading stock dealers are now directly interested in the filling of the subscriptions rapidly, we believe we may rely on a satisfactory termination of that part of the business also.

Hoping ere long to be enabled to advise you of the loan being finally closed for, we have the honor to remain meanwhile, with great respect, sir,

Your most obedient humble servants,

DANIEL CROMMELIN & SONS.

Hon. RICHARD RUSH, *London.*

No. 39.

Messrs. Crommelins to Mr. Rush.

AMSTERDAM, November 17th, 1829.

RICHARD RUSH, Esq. London.

SIR: We beg your reference to our respects of the 14th, and have, since your esteemed, favor of the 12th, handing us various inclosures, for which please accept our best thanks.

Whenever any further reports or statements are published about the Canal, we shall be happy to receive them.

Having received the sanction of the King, we have gone on and made the matter public. We shall have the public subscription day on Friday next.

The conventions are in course of being written. We shall urge them on as much as we possibly can, and see how we can manage as to the list. We are fully aware that you will wish to return home as early as possible, and shall certainly not detain you longer than is necessarily required to have the papers in due order.

The certificates not used will be transmitted in course as you suggest.

We are not yet quite in order with the stamps, &c. but this has not hindered us in going on, on the terms of the convention.

We are respectfully,

Sir, your most obedient servant,

(Signed) DANIEL CROMMELIN & SONS.

No. 40.

Mr. Rush to Messrs. Crommelins.

LONDON, November 20, 1829, }
32 Charlotte Street, Portland Place. }

GENTLEMEN:

It has given me great pleasure to receive your favors of the 13th and 17th instant, the latter containing the information that the sanction of the King of the Netherlands has been obtained to our conventions.

I pray you to accept my thanks for the assurances you are so good as to give, that all other matters will be arranged as soon as their nature will permit, with a view to my speedy return.

I remain, most respectfully, your obedient servant,

RICHARD RUSH.

Mess. Crommelin & Sons.

No. 41.

Messieurs Crommelins to Mr. Rush.

AMSTERDAM, November 20, 1829.

SIR :

We refer to our respects of last mail and have none of your esteemed favors since. The mail from your side is not in.

We have to-day had the public subscription. There has been some excitement, and about seventeen millions have been subscribed for, notwithstanding the very unfavorable reports which two houses of this place have propagated. We have some hopes of seeing Mr. Hughes here. We are much pleased that those insidious reports have had no more force. Of one of the houses, to whom the early application for information had been made here, we had fully expected it, but knew its weight; of the other, we had thought it stood too high to speak, as we hear they have done, considering how their intimate London connexions have viewed the matter in their official correspondence with you when at the head of the Treasury, and of which we cannot suppose the house here entirely ignorant.

We shall, next week, hope to wait upon you with all the papers in complete order.

We have the honor to remain, sir,

Your most obedient servants,

(Signed) DANIEL CROMMELIN & SONS.

Hon. RICHARD RUSH, *London*.

No. 42.

Mr. Rush to Messrs. Crommelins.

LONDON, November 23, 1829, }
 32, Charlotte Street, Portland Place. }

GENTLEMEN :

I have just received your favor of the 20th, and am happy to find from it that the public subscription to the stock held on that day, succeeded so well.

Of the reports calculated to undervalue it, to which you allude, I will barely remark, that they ought little to have been expected from either of the quarters, whence they appear to have come.

Should I receive all the papers from you this week, as you kindly give me reason to hope, my report of the en-

tire negotiation will be transmitted to the towns on the first of December, and a copy of it at the same time to the Secretary of the Treasury. I have already, by the packet that will sail from Liverpool to morrow, announced the general result to that officer as well as to the towns.

I remain, most respectfully,

RICHARD RUSH.

MESSRS. CROMMELIN AND SONS.

No. 8.

*Richard Rush to Joseph Gales, Jun. Mayor of the
City of Washington.*

LONDON, December 8, 1829.

SIR :

I have now the honor to transmit the Conventions, duly executed, as promised in my report of the 25th of November, they did not reach me until the night of the fifth instant, (Saturday,) and yesterday was spent in going through the forms of executing them all on my part.

The correspondence that has passed with the Messieurs Crommelins since my report, is enclosed, numbered from 43 to 51. It will not be necessary at this late day, that I should specially detail the contents of it; but the letters will be read with interest, as will all that belong to the negotiation, and are consequently explanatory of it.

It will be seen what is said upon the subject of the towns drawing for the first instalment. It cannot have escaped me, that it is physically impossible for them to draw, when by the terms of the Convention, the money must be ready, viz: in the course of the approaching January. For this, there was no remedy that I could provide, owing to the inevitable course which the negotiation took, and the time it has consumed. If I had been invested with authority to draw, I should have felt it a duty to remain until Jan-

uary, and after obtaining the money, to have placed it at safe interest in England, until the towns could get possession of it. On the arrival of the period, when the lenders are bound to pay the first instalment, it would not have lain with them to question my right to draw for it, as the representative of the towns, and charged with the care of their interests at all points ; nor do I imagine that they would have made a question about it. But as I had no special powers to draw, I have not felt at liberty to touch the money in any shape.

It will be seen that my correspondents also state, that the credit of the loan has been further impugned at Amsterdam, and from the same quarters as before. I beg to bespeak a respectful attention to the manner in which I have expressed myself, in the course of the correspondence upon this point ; for in promising to use my efforts to cause to be extended to the Messieurs Crommelins, as the purchasers of the stock, all the official protection which they may fairly ask under the act of Congress upon which the loan is founded, it will be understood that I speak, in effect, only on behalf of the towns and in their name ; since it is as their organ alone that I can hope to do any thing. Most free I am to make known my own ardent wishes, that this house may be upheld in their purchase in all ways that may be judged proper and practicable ; they having been the only capitalists not unwilling to take their stand upon the faith of the act of Congress, and that of the high functionaries of our national government, who are charged with superintending its execution ;—the only capitalist not

afraid to trust to the resources and honor of the national metropolis, and two sister towns, as both are emphatically pledged, the one as the visible, the other as the high moral security, for this loan. I own, that it would be with me a source of deep regret if these gentlemen, so confiding in these communities, appended as they are to the nation's exclusive jurisdiction and care, and in regard to which I know that I do not err in viewing them as stamped, in foreign eyes, with at least some portion of the nation's dignity—should have their purchase disparaged and run down by others. I fully hope that this will not be the case; and that all danger of it, should danger come, will be turned aside by whatever of help can be held out to them by the government, under the true spirit of the act of Congress, in question. Reasonable in their views, as well as honorable and confiding, the letters of the Mess. Crommelins ask nothing more.

Whilst on this head, the remark is as natural as the fact is obvious, that the proper moment for obtaining the loan was taken advantage of; for although the stock has, thus far, maintained itself in spite of opposition, being now owned by the Messieurs Crommelins and their friends who are powerful on the exchange at Amsterdam, it is plain that a public subscription for the stock, in that city, would not have succeeded in the face of such an opposition. One much less in degree, could not have failed to defeat it.

It will be perceived that in the description which my correspondents saw fit to superadd to my name in the preamble to the Convention, there is an inaccuracy. This I overlooked until it was too late to

correct it, unless by sending back the instrument after I had first given it my signature, and I did not think the inaccuracy of importance enough to warrant this delay.

I have the honor to remain

With great respect,

Your obedient servant,

RICHARD RUSH.

JOSEPH GALES, Esq.

Mayor of the City of Washington.

DOCUMENTS

*Enclosed by Mr. Rush, in his Letter, No. 8, to the
Mayor of the City of Washington.*

No. 43.

Messieurs Crommelins to Mr. Rush.

AMSTERDAM, 24 November, 1829.

SIR :

We have to acknowledge the receipt of your esteemed favor of the 20th inst. which crossed our respects of the same day, by which we advised you of the good result of the public subscriptions, seventeen millions nearly having been subscribed for on the first day. We have since had the pleasure of seeing Mr. Hughes at the Hague, and of fully conversing with him. We have plainly stated to him, as we have done to you in our respects of last mail, the views which we were compelled to take of the excessive illiberality, to say no more, which dictated the reports propagated about the loan—reports which we have full reason to believe have caused a large amount of intended, and even already ordered subscription, to be withdrawn—reports which have shown the decided wish to endanger the result of the business, but which happily have ended only in a fruitless attempt to harm us and all concerned. We should least of all expected it from a house of such high standing and connexions as the one alluded to. It seems strange that this *small loan* should have created so much jealous and angry feeling. The future, we perfectly trust, will show how unfounded these reports have been. We have not spoken to any of the parties here on the subject, and do not intend to do so, until at least we have heard from you on the matter. You will be the best judge whether and what ought to be done. The stock is selling in the market at about 100 per cent, but it may go a little lower we should think.

We remain, respectfully, sir,

Your most obedient servants,

(Signed) DANIEL CROMMELIN, & SONS.
Hon. Richard Rush, London.

The stock has fully maintained itself to-day : there were many real purchasers at 100 per cent.

No. 44.

Mr. Rush to Messrs. Crommelius.

LONDON, November 27, 1829. }
32, Charlotte Street, Portland Place. }

GENTLEMEN:

I am favored by this day's mail with your letter of the 24th. and rejoice to find that the stock has maintained itself so well in your market, notwithstanding the highly improper reports to which you again allude. Time cannot fail to show its value, and the reports that would impeach it to be utterly groundless.

Regarding these reports, I do not for myself at present see that I can do more than pronounce upon their extreme illiberality as well as injustice. But as they appear to have proceeded from the actual Banker of the United States at Amsterdam in one instance, and the intimate mercantile connexions of those who are their bankers in London in the other, it will be proper that the Government of the United States should be informed of them. This I will take care shall be the case.

I have the honor to remain,

With great respect, &c. &c. &c.

RICHARD RUSH.

Messrs. Crommelin and Sons.

No 45.

Messrs. Crommelins to Mr. Rush.

AMSTERDAM, November 27, 1829.

SIR:

We beg to confirm our respects of last mail and have none of your esteemed favors since.

The Conventions and lists of Certificates are nearly ready; the steam-boat, however, having ceased to go twice a week, we must postpone to Monday sending them off. The steam-boat is the only conveyance we can suitably send that large parcel by.

The enclosed we beg, for regularity's sake and for our justification, that you will have the goodness to sign and return to us, and we rely on your good attention to that matter on your arrival in the United States.

The unfavorable reports about the loan continue to be spread with unceasing violence. The Stock is at 100, to 100½ per cent; but still the reports are not without effect

on the public mind which, as a matter of course, is sensitive in such matters, and it creates to ourselves, as it will to you, a most unpleasant feeling ; so much so, in fact, to us, that we must, in the most earnest manner possible, beg you to exert your utmost influence, and the influence which the leading men in the District may have with the General Government, to bring about that some mark or other of approbation and sanction be given to us from the General Government. We do not of course ask that the General Government should go one inch beyond the act of Congress, which we well know, also, it would be useless to ask ; nor is it at all necessary, for as long as the President of the United States, and the Secretary of the Treasury, do their bounden duty under the act of Congress—and who shall presume to entertain the most remote doubt thereof?—so long will the lenders of money under that act be perfectly safe. As it is, nevertheless, equally true that the spreaders of the reports do by what they say, virtually bring into question the validity of the security which Congress did in good faith mean to provide for the money lenders, and that however much the National Government of the United States is above this foul attack, that *we* do, however, suffer under it in a business in which the wish to be of service to the District, to part of a Country to which we owe so much, has been among the motives that prompted us to act in it. We do, therefore, submit to you, whether some mark of approbation be not due to us from the General Government, under whose immediate patronage and direct authority the Corporations move. We shall place full reliance upon your friendly dispositions towards us, to do in this matter all you can tending to vindicate publicly the character of the loan.

This is one point, and one of the highest importance ; but it will take time ere we can receive some communications in that way from the Treasury, and what is to be done in the meanwhile is another most important point, because, although we anticipate nothing of the kind, still on the decisions therein may depend whether the payments of the loan will be effected to us without difficulty. The manner in which the leading house has spoken about it, is so extremely unhandsome ; and the attacks of the other person have been so virulent, considering particularly the somewhat official station which he holds in relation to your General Government, that we wish there was a possibility

to do something towards it. We are desirous to hear from you in reply to our letters by the two preceding mails. We had been in hopes the matter would have died away after being talked over a short while, but calumny is still at work, and it is impossible to say how far it may have spread, and operate, and what mischievous consequences it may finally have. We do by all means deprecate any public controversy, nor as long as the Stock stands at 100 per cent. is there any necessity for it; but could not perhaps something be done through the American Minister in London, making some communication to Mr. W., and perhaps to the United States' Bankers in London—it could of course hardly be expected that he would make it a matter of official communication; but the expression of his private opinion, and of the interest he takes in the matter, which you have mentioned to us, might have some effect at least in somewhat silencing those leaders of the opposition. It is perfectly plain that the other houses to which you applied, declined taking the Stock because they apprehended it would not be *current*; and the substance of Mr. W's advice when originally consulted, amounts to no more: and the London houses were correct in their opinion, for without the form into which we threw the Stock it would certainly not have been current; but that form made it current, as experience proved. And it is extremely unfair now to represent the refusal, as the voice of the public informs us Mr. W. does, as the effect of a conscientious regard for the interest of the public. We leave this of course, also, to your good judgment, while we do in any case most strenuously recommend to your friendly care, either on arrival, or to save time, by letter, the request made in the earlier part of this letter, of having a line written to us on the subject from the Executive; from that branch of the Government that has the immediate control over the Corporations for whom we have acted, and without whose authority and pledged protection we should most certainly not have brought forward the loan.

We remain, very respectfully and truly, sir,

Your most obedient servants,

DANIEL CROMMELIN & SONS.

Hon. RICHARD RUSH, *London*,

P. S. The Stock was firm to-day at 100, to 100½.

Paper enclosed in No. 45, and signed by Richard Rush.

(Copy.)

The act of Congress of 24th May, 1828, enjoining that the lists of certificates to be created by the Corporations of the City of Washington and the Towns of Georgetown and Alexandria, (which lists are to be deposited with the Secretary of the Treasury of the United States at Washington) be signed and authenticated by the Mayors of the said Corporations, I do therefore engage on my arrival in the United States, to see that the said Mayors do duly sign and authenticate those said lists of certificates which Messrs. Daniel Crommelin and Sons will send on themselves, with the Conventions, to the Secretary of the Treasury.

RICHARD RUSH,

London, Dec. 1, 1829.

TO MESSRS. DANIEL CROMMELIN AND SONS, *Amsterdam,*
As Directors of the Loan made there to the
three Corporations of the District of Columbia.

No. 46.

Mr. Rush to Messrs. Crommelins.

LONDON, December 1, 1829, }
 32, Charlotte Street, Portland Place. }

GENTLEMEN :

Your favor of the 27th instant has just got to hand, and I hasten to reply to it by return of mail. The paper which it enclosed, I return with my signature. You will have received, I trust, before this time, my letters of the 23rd and 27th, which had not reached you when your last was written.

The continued opposition to the loan from the same quarters, does but increase my surprise. The parties must act from some motive to me incomprehensible ; for, what information can they, or either of them, have, or pretend to have, bearing any weight alongside of an act of the Congress of the United States, and the other official and authentic facts and documents upon which the whole measure rests. The opposition, I repeat, is alike unjustifiable and illiberal. You may be assured of my best exertions,

No. 48.

NOTE.

The Case contains :—

Nine sets in parchment, marked from 1 to 9 ; and one paper cover, containing 3 lists loose on stamped paper ; and 3 affidavits loose on idem.

No. 2, } Are for the use of Mr. Rush ; No. 2, 3, 4, are de-
 3, } stined to be handed by Mr. R. to each of the
 4, } three Corporations—say, No. 2, to the Corpora-
 5, } tion of Washington, having only the list of Wash-
 6, } ington certificates attached to it—No. 3, destined
 for Georgetown—and No. 4, for destined for Alex-
 andria—No. 5, is destined to be handed by Mr.
 R. to the Secretary of the Treasury, being a full
 set made with particular care.

No. 7, } Are to be returned to D. C. & Sons ; and after
 8, } signing and completing them, Mr. Rush will
 9, } please have the goodness to pack them up again
 10, } in the same tin box, and hand it to Messrs. J.
 & the 3 loose } Gore & Co. who will have our instructions how
 lists & 3 af- } to return it to us.
 fidavits, all }
 on stamped }
 paper, }

N. B.—In a few of the conventions, there has been one phrase left out, which has had to be added between the lines afterwards. We have there added our initials for approbation, and Mr. Rush will please do so likewise.

No. 49.

Messieurs Crommelins to Mr. Rush.

AMSTERDAM, 1st December, 1829.

SIR :

We beg your reference to our respects of the 30th November, per steamboat, relating to the complete set of the documents for the loan, which is going over by that same steamboat—directed to Messieurs John Gore & Co. who have our directions immediately to send it on to you.

We have since your esteemed favor of the 27th November, and shall hope in course further to hear from you in reply to our addresses of the 24th and 27th.

The stock is maintained at 100—100 $\frac{1}{4}$ per cent.

We regret that the making out of the documents has taken rather more time than we had been in hopes of—the lists

have taken most time, and our lawyers considered it important, that those lists also should have your own signature. We shall be pleased to hear that you have found all in due order. We remain with great regard, Sir,

Your obedient humble servants,

(Signed) DANIEL CROMMELIN & SONS.

Hon. RICHARD RUSH, London.

P. S. The main point of the Corporations being at liberty to dispose as they will see fit of the balances, which will remain due to them, in January and July next, on our books, is established by the Conventions; and as we fully trust that all the payments in January will be punctually made, we shall write to the Corporations, that we see no risk in their commencing to draw for the January instalment, without waiting our advice of the money being in cash. The January instalment being once paid, there will then be no difficulty neither, we trust, with the July instalment; and the Corporations may then we should think enjoy the same advantage for that instalment, and commence drawing, before it is even paid in here. We shall now however provisionally, only write the needful, about the first instalment—as there will be ample time left, to write the needful also about the second instalment. We intend on the credits we open in London, to give part of the business to Messieurs Gowan and Marx.

No. 50.

Mr. Rush to Messieurs Crommelins.

LONDON, December 3, 1829, }
32 Charlotte Street, Portland Place. }

GENTLEMEN:

I received this day your letters of the 30th of November, and first of this month, the former mentioning that you have sent to Messieurs John Gore and Company a package to my address, containing sundry documents, which those gentlemen will hand to me as soon as received.

I will sign the lists of certificates as soon as possible, after their arrival. The affidavit which you describe as added to each of the sets of the Conventions, will, I flatter myself, contain nothing but what I can view as in the true spirit of our contract, in which case I will sign it; being sure that I shall in nothing better satisfy the towns

then when, as their representative, I endeavour to throw the shield of perfect good faith over every part of the transaction, and above all over every technical scruple.

I have no authority to pledge the Branch Bank of the United States to the agency, which you wish it to assume; but you may rely upon my efforts to bring that measure about; and I shall earnestly recommend it to the towns as the best; if for no other reason, because it will be most satisfactory to you.

I perceive what is said in your letter of the first instant about the Corporations drawing for the first instalment, and of your intention to write to them upon that point; a point of the greatest importance to them, and in writing upon which, permit me to request that not a moment be lost that you can possibly avoid. I also observe that in the credits to be opened in London, you speak of it as your intention to give part of the business to Messieurs Gowan and Marx, for which I beg to return you my thanks. Their course in relation to the loan stands in contrast to that of some others, and in my opinion, especially recommends them to those who are now connected with it.

I have the honor to remain, &c. &c.

RICHARD RUSH.

Messieurs CROMMELIN & SONS.

No. 51.

Mr. Rush to Messieurs Crommelins.

LONDON, December 7, 1829, }
32 Charlotte Street, Portland Place. }

GENTLEMEN:

Since my letter to you of the 3rd instant, in acknowledgment of yours of the 30th of last month and first of this, I have received through the hands of Messieurs John Gore and Company, the promised papers; and I am happy to inform you that I found them all in good order. The tin box in which they were packed, was opened at the English Custom-house; but none of the papers appeared to have been in any degree disturbed from the order in which you had arranged them. I need not therefore recapitulate them, as the whole were there, as set forth in the schedule or note that was in the box.

I have this day executed them all. The certificate or

declaration, which you have described as an affidavit, added to each of the sets of the Conventions, I have signed with the greatest cheerfulness, as it expresses nothing more than the true and undoubted meaning of the parties.

The papers to be returned to you, viz: Nos. seven, eight, nine, and ten, being so many sets of the Conventions with the documents appended to each set, and the three loose lists and the three affidavits, all on stamped paper, I have put into the box again, and it will be safely delivered to Messieurs J. Gore and Company to-morrow, according to your instructions. Under their good care, I count confidently upon its reaching you safely, the more so, as in the course of our correspondence, no letter or paper of any kind has ever yet missed. Reposing upon this, I shall venture to leave town during the present week, on my way to embark from Liverpool, hoping for your excuse under the anxiety I feel not to delay my voyage at a season, likely to advance in inclemency with every fresh week, and even every day.

In finally closing our correspondence, I cannot avoid expressing the sense I have of the good spirit, in which it has moved along, and my hope and belief that the Conventions to which we have now on each side put the last hand, will be found mutually satisfactory in all things, during the entire course of their operation. It was from the confidence of Dutch capitalists that the venerated founders of the American Republic once had a useful loan. Those who have now made one to the infant but advancing Metropolis of that Republic and its sister towns, will, as I fully anticipate, have equal reason to be content with the issue of the kindred operation of their day.

In these sentiments I beg to subscribe myself, gentlemen,

With the greatest respect and regard,

Your very faithful and obedient servant,

RICHARD RUSH.

Messieurs DANIEL CROMMELIN & SONS.

CONVENTIONS AND LIST OF CERTIFICATES

Relating to the loan of f3,750,000, Netherland currency, made in Amsterdam to the City of Washington and the Towns of Georgetown and Alexandria in the District of Columbia, under the high protection granted by an act of the Congress of the United States of America, of 24th May, 1828.

The following Convention, Between

RICHARD RUSH, Esquire, citizen of the United States of America, late Secretary of State for the Treasury of the said United States, and now bearer of special powers of attorney from the Corporation of Washington, the Corporation of Georgetown, and the Corporation of Alexandria, in the District of Columbia, for certain therein hereafter mentioned purposes, and which said powers of attorney are and remain annexed unto the original of this Convention, and so deposited at a public notary—now in London—

On the one side—

And DANIEL CROMMELIN & SONS, Merchants, dwelling in the City of Amsterdam—

On the other side—

Witnesseth :

Whereas, the Corporation of Washington, the Corporation of Georgetown, and the Corporation of Alexandria, all within the District of Columbia in the United States of America, have made certain subscriptions for shares of the stock of the Chesapeake and Ohio Canal Company, viz : the Corporation of Washington a subscription of one million dollars—the Corporation of Georgetown of two hundred and fifty thousand dollars—and the Corporation of Alexandria of two hundred and fifty thousand dollars, and which subscriptions having been fully sanctioned and made valid by act of Congress of the twenty-fourth May, eighteen hundred twenty-eight ; the said Corporations have, by the same act of Congress, been empowered,—

1st. To borrow as it may be deemed by them respectively, either necessary or expedient, the needful money to

pay their respective aforesaid subscriptions, and to issue certificates of the debt so to be contracted ; and

2nd, To employ an agent or agents for the purpose of effecting on account of the Corporations such loan or loans of money, or of selling the certificates of the stock so created.

All as detailed fully in the said act of Congress, which places the debts to be contracted in virtue of the said act under the special guardianship of His Excellency the President at the time, of the United States, and a legal copy of which act of Congress is and remains annexed in the English language to the original of this Convention, which is to be deposited at the notary public.

And whereas, in pursuance of the said authorisation, the said Corporations have actually created certificates of stock to the amount of their respective aforesaid subscriptions, say—

The Corporation of Washington, eleven hundred sixty-six certificates, of various sums, together amounting to one million dollars ;

The Corporation of Georgetown, two hundred twenty-five certificates, of various sums, together amounting to two hundred and fifty thousand dollars ;

The Corporation of Alexandria, three hundred certificates, of various sums, together amounting to two hundred fifty thousand dollars ;

And have appointed the first underwritten to be their agent in Europe, there to sell or realize this stock, handing over to him to that effect the said certificates, and giving him their full and complete powers of attorney to act in this matter, in their behalf as aforesaid.

And whereas, further, the last underwritten have consented under certain conditions to open a subscription for a loan at their counting house in Amsterdam, to the effect of raising the needful sums of money for the abovementioned purposes ; Now THEREFORE, the two parties underwritten have agreed and covenanted, and do agree and covenant by these presents, as follows :—

ARTICLE FIRST.

The first underwritten, acting in his aforesaid capacity as Agent for the three Corporations, authorizes and empowers the last underwritten to open at their counting house,

in behalf of the said Corporations a subscription to a loan three million seven hundred fifty thousand guilders, Netherlands currency, being the equivalent of one million five hundred thousand dollars, valuing each dollar at two hundred and fifty cents, Netherlands currency, and which debt of three million seven hundred fifty thousand guilders, Netherlands currency, is to be on account of, and to be borne by the Corporation of Washington for two million five hundred thousand guilders, Netherlands currency; by the Corporation of Georgetown for six hundred twenty-five thousand guilders, Netherlands currency; and by the Corporation of Alexandria for six hundred twenty-five thousand guilders, Netherlands currency: provided however, that the last underwritten will previously have obtained the requisite permission from his Majesty the King of the Netherlands, failing which, the present Convention is annulled to all intents and purposes.

ARTICLE SECOND.

The last underwritten will in course issue three thousand seven hundred fifty bonds of thousand guilders, Netherlands currency, each numbered, from one to three thousand seven hundred fifty, signed by them, and countersigned by a notary--each of which bonds will be at the charge of the Corporation of Washington for two-thirds; at the charge of the Corporation of Georgetown for one-sixth; and at the charge of the Corporation of Alexandria for one-sixth.

ARTICLE THIRD.

The joint takers of those three thousand seven hundred and fifty bonds will in consideration of the money to be paid in by them, for the said bonds, become jointly the true and sole proprietors of the aforesaid certificates to the aggregate amount of one million five hundred thousand dollars; and they will moreover be direct and true creditors of the Corporations in their aforesaid respective proportions, for whatever amount may in addition to the amount to be received for them, at the Treasury of the United States, and at any time be wanted, to meet and discharge fully, and at the stated times the sums of money, which the Corporations do bind themselves by their aforesaid agent, to pay in Amsterdam unto the holders of the said three thousand seven hundred and fifty bonds, both for interest

and principal as described and contracted hereafter in this Convention.

ARTICLE FOURTH.

The said three thousand seven hundred and fifty bonds shall bear a fixed interest of five per cent. per annum, upon their nominal capital of thousand guilders, Netherland currency each ; the said interest will be payable in Amsterdam, at the counting house of the last underwritten, or of their successors, from six months to six months, say on the first January and the first July of each year ; and when the said bonds therefore will be issued, there will be added to them a set of half-yearly dividend warrants, each of twenty-five guilders, Netherland currency, payable in succession at the counting house of the last underwritten or of their cashiers, and the first of which dividend warrants will be payable first January, eighteen hundred thirty-one.

ARTICLE FIFTH.

The lenders will be made bound to pay in the amount of their subscription, at the counting house of the last underwritten in two instalments, one-half in the course of January, eighteen hundred thirty, and the balance in the month of July, eighteen hundred thirty ; they enjoying interest from the first day of the months, in which the payments are to be made against provisional receipts, which receipts will be exchanged for the bonds, as soon as the bonds can be got ready ; at the payment of the last instalment, the interest then due till the first of July, on the first payment, will be paid up and settled.

ARTICLE SIXTH.

The borrowers shall not have power, nor be bound to commence reimbursing the money borrowed until the year eighteen hundred forty-one—but commencing with that year one twenty-fifth part of the amount now borrowed will annually have to be paid off and reimbursed.

To this effect the last underwritten will in the month of May, eighteen hundred forty-one, and subsequently every year in that month determine by lot, in the presence of a public notary, which of the three thousand seven hundred and fifty bonds will be paid off ; the numbers of the bonds drawn out will be advertised in the public papers ; and after

the day upon which those bonds will be made reimbursable, no further interest will be due or payable upon them.

ARTICLE SEVENTH.

The bonds so drawn out and made reimbursable will be payable to the holders thereof, on the first July ensuing, and following work days, at the counting house of the last underwritten, or of their cashiers, with thousand guilders, Netherland currency for each bond, and against delivery of the bonds with the unpaid dividend warrants—the said bonds and dividend warrants will then be cancelled in presence of the notary.

ARTICLE EIGHTH.

In order to ensure the due fulfilment of the obligations contracted in this present document, the blanks left in the original certificates of the Corporations will as soon as the loan is actually closed, be filled up by the first underwritten, or by a person specially appointed by him thereunto, and made due to

“The Trustees for the Proprietors of this Stock”—bearing interest at the rate of five and a half per cent. per annum, from the first July, eighteen hundred and thirty, and reimbursable in succession, one twenty-fifth part of the whole on the first January, eighteen hundred forty-one—a second one-twenty-fifth part on the first January, eighteen hundred forty-two—and so on, the stock of each Corporation pro parte—a list of the certificates so made out will be signed by both contracting parties, and then annexed to each of the sets of this Convention.

ARTICLE NINTH.

The certificates so made out will be deposited in an iron chest to be left at the domicilium of a notary, and to be furnished with four different padlocks; a key of one of which is to remain in the possession of each trustee—the key of the chest itself remains with the notary.

ARTICLE TENTH.

Whereas to obviate the necessity in case of changes in the persons of the trustees, of having in such cases the certificates cross the Ocean, and consequently run the risk of being lost; there have been no names of the trustees at

the time inserted into the certificates, it is now further stated that the first trustees will be

Messrs. M. C. VAN HALL,
E. T. KOCH,
G. D. CROMMELIN,
C. D. CROMMELIN,

Who are to have full power to receive by attorney at the Treasury of the United States, the interest and reimbursement that will accrue upon the above said certificates, and generally to do all that is requisite in the premises as good trustees for the proprietors of this stock : and

That in case of demise, or wish to retire, of one or more of the before named trustees, the remaining trustee or trustees, will assume another trustee or trustees, so that the number of four remain complete—and do so by notarial act—a legal copy of which will be transmitted through the agent in the United States to each of the Corporations, and to the Treasury of the United States—and the so assumed Trustees, will jointly with those by whom they have been assumed have full power to receive by attorney, dividends and reimbursements upon the certificates, and generally to do the needful in the premises, and this power of assumption will not cease or terminate, except with the termination of the loan.

ARTICLE ELEVENTH.

The aforesaid trustees will pass, and their successors in course of time continue to pass. the needful powers of attorney upon the Branch Bank of the United States at Washington, or upon such other corporate body or person as may in course of time, and with the concurrence and approbation of the said last underwritten, or their successors, be appointed as agent to receive the dividends, and reimbursements that will accrue upon the said certificates, and they will instruct such agent to remit the said dividends and reimbursements to, and to follow therewith the instructions of the last underwritten, or of their successors.

The first offer of this Agency will be made, consequently, by the Corporations to the aforesaid Branch Bank of the United States at Washington, with earnest endeavors to come to a satisfactory conclusion with that said establishment.

All charges or commissions of the said Branch Bank, or of any other intermediate agent, will be by them brought in account and charged to the Corporations pro parte, and in no case charged to, or claimed from the Trustees, the last underwritten, or the holders of the three thousand seven hundred and fifty bonds.

ARTICLE TWELFTH.

Whereas, the payment of interest and reimbursement upon the bonds to be issued in Amsterdam, must also be made in Amsterdam to the holders of the said bonds in Netherland currency ; and whereas neither the said holders, nor the last underwritten are to be made passible of any loss resulting from the rates of exchange, or from depreciation of paper money in the United States, or of any loss upon, or of bills, or remittances howsoever made, by failures, shipwrecks, or any such and like accidents, or of any commissions or guarantee to be earned by the Branch Bank, or by any other intermediate agent, nor of any risk whatsoever; but that all and every risk of whatever kind or nature it may be, is and remains now and in future and once for all on the account of the borrowers, who are not to be exonerated from the obligations contracted with the holders of the bonds, until the requisite money be lodged in cash, in the hands of the last underwritten. *And, whereas*, on the other hand the said borrowers must enjoy the benefit of all sums of money, that may at any time accrue upon and out of the certificates, more than wanted to place in Amsterdam, the amount of guilders requisite for payment there of interest and reimbursement, and likewise must enjoy all benefit that may now and in future result from any favorable turn of the exchanges—Now THEREFORE it is further agreed and covenanted—

That the agent of the trustees will, after having received the sums of money due upon the certificates, employ the whole, or if part be thought sufficient, then part only, to make to the last underwritten such remittances in bills or otherwise, as will in good time net a sufficient sum in Amsterdam, to meet the payment of interest and reimbursement next due :

That if part only has been used for that purpose, and a surplus be left, as it will probably, such surplus shall then remain provisionally under the agent :

That when a payment of interest, and later also for reimbursement shall have been made in Amsterdam, the last underwritten will cause to be made out the account current of the Corporations :

That if the remittances made with part or the whole of the amount received upon the certificates should not have netted an amount in Netherland currency, large enough to pay interest and reimbursement due at the time ; but have left a deficiency, such deficiency will first be covered by remittances to be made by the agent with the surplus, if any there was still laying in his hands ; and the Corporations will further, each pro parte, have to make immediately to the agent such further payment, as may be wanted to enable the said agent, fully to remit also free of expenses and risk to the last underwritten, the amount of such deficiency.

On the other hand, if it shall appear from the said account current, that the remittances made by the agent have been sufficient to make the needful net provision in Holland, for interest and reimbursement due at the time, the said surplus will be forthwith paid out and returned to the Corporations, each proportionally, thus settling with the Corporations, each half year.

ARTICLE THIRTEENTH.

Whereas, further, the original certificates might happen to be lost at sea, when sent over for reimbursement ; and that delays might ensue therefrom—it is therefore agreed and covenanted to deviate in this respect, from the customary forms observed at the Treasury ; and to stipulate that the Corporations do consent that the reimbursement will at the time be claimed from, and be made by the Treasury of the United States, upon the production of the *Powers of Attorney* of the trustees at the time.

As soon as the remittances will have been received by the last underwritten, and the bonds drawn out for the year will have become payable as aforesaid, the certificates of which the reimbursement has been received, will in the presence and with the concurrence of the notary, be taken out of the iron chest by the trustees, signed by the said trustees in dorso for acquittal, and handed over to the American Charge d'Affaires, or to any other person or persons, whom the Corporations may choose to appoint, against

a receipt which will be deposited again in the iron chest, until the entire termination of this loan.

ARTICLE FOURTEENTH.

The first underwritten having therefore in his aforesaid quality authorized the last underwritten, in their capacity of directors of this loan, to receive the money from the lenders, to sign with the signature of their firm, the provisional receipts and the bonds, in which will be inserted and printed a translation made by a sworn translator of this present Convention; and which Convention is to be deposited at the notary, who will countersign the bonds; the said first underwritten now further proceeds in his aforesaid capacity, as fully empowered agent of the Corporations of Washington, Georgetown, and Alexandria, firmly to bind his constituents, the said Corporations of Washington, Georgetown, and Alexandria, in the District of Columbia, viz: each of them for their aforesaid share or proportion, as true debtors on the terms of this Convention, unto the holders jointly and severally of the said three thousand seven hundred and fifty bonds to the amount expressed, in Netherland currency, for principal and interest in the said bonds, submitting his said constituents, not only to that effect, to the jurisdiction of all judges or courts of justice, but also granting and acknowledging unto the said holders, jointly or severally, the rights of privilege and security granted by the act of Congress of the twenty-fourth May, eighteen hundred twenty eight, to the lenders of money under that act. Surrogating if, and as far as necessary, the holders of the said bonds, jointly or severally into the claims or rights, which the Corporations may each of them have or acquire upon the Chesapeake and Ohio Canal Company—and finally engaging in behalf of his aforesaid constituents, that no circumstance, no not that even (which God forbid) of a war between the United States of America and the Kingdom of the Netherlands, shall ever be a motive for not duly and honorably proceeding in the correct fulfilment of all the obligations contracted bona fide in this Convention.

ARTICLE FIFTEENTH.

Finally the first underwritten does elect the domicilium citandi et exequendi of his aforesaid constituents in Am-

sterdam, at the office of the youngest notary, at the time, consenting that all sommations, &c. be there done and held to be done validly in law and without.

And have the aforesaid contracting parties, in witness of the above, set hereunto their hands and seals—the first underwritten in London, on the thirtieth day of October, eighteen hundred and twenty-nine, and the second underwritten in Amsterdam on the second day of November, eighteen hundred and twenty-nine, and has the present deed been made in ten copies all of one tenor and date.

RICHARD RUSH. [L. s.]

Signed, sealed, and delivered by RICHARD RUSH, }
In the presence of— }

W. HOLLOWAY,
ROBT. LITHGOW.

DANIEL CROMMELIN & SONS. [L. s.]

Signed, sealed, and delivered by DANIEL CROM- }
MELIN & SONS,—In the presence of— }

R. DANIEL WOLTERBECK,
RICHARD HAIGHTON.

Whereas,

RICHARD RUSH, Esq. Citizen of the United States of America, late Secretary of State for the Treasury of the said United States, and now bearer of Special Powers of Attorney from the Corporation of Washington, the Corporation of Georgetown, and the Corporation of Alexandria, all in the District of Columbia, for certain therein mentioned purposes, now in London—

On the one side—

And DANIEL CROMMELIN & SONS, Merchants, dwelling in the City of Amsterdam—

On the other side—

Have passed a Convention between them relating to a certain Loan for three million seven hundred and fifty thousand guilders—which the last underwritten will make at their counting-house in behalf of the constituents of the first underwritten—*And whereas*, there have been settled in that Convention, which is considered as being here verbally inserted, all those conditions of said Loan which do concern the public, leaving to be settled between the first and last underwritten, all such further conditions as

do more immediately concern the last underwritten in their capacity of Bankers of this said Loan.

NOW THEREFORE, do the aforesaid contracting parties, with full reference to the aforesaid Public Convention, agree and covenant, as follows:—

ARTICLE FIRST.

The last underwritten will open at their counting-house a private subscription for the stock of this loan, as soon as the obtaining the permission of the King will allow it, or sooner conditionally, if they shall deem it advisable, with the fluctuating state of the money market.

ARTICLE SECOND.

If the subscription should against expectation not attain the full amount of three million seven hundred and fifty thousand guilders, Netherland currency, but should reach more than three-fourths, the Loan will nevertheless be considered as made, and the three thousand seven hundred and fifty bonds created in full. The bonds not subscribed for, will remain the property of the Corporations, each in proportion to the amount they bear in the Loan, and those bonds will remain with the last underwritten to be by them successively disposed of; but the last underwritten can in no case be compelled to sell them under the price of the public subscription day hereafter mentioned in article four.

ARTICLE THIRD.

The interest that may fall due upon the bonds so created, but not immediately disposed of, will as it falls due be carried by the last underwritten to the credit of the Corporations proportionally, and settled each half year in the half yearly account current, which the last underwritten are to furnish.

ARTICLE FOURTH.

The subscription to the nominal capital stock of three million seven hundred and fifty thousand guilders, Netherland currency, will be offered by the last underwritten to the subscribers at ninety six per cent. and if three-fourths or more gets subscribed for, the proceeds of the whole three million seven hundred and fifty thousand guilders,

Netherland currency, will on receipt, appear to the credit of the Corporations, each proportionally, on the books of the last underwritten, at the said price of ninety-six per cent., under deduction however out of the last instalment of four and a half per cent. on the whole of the three million seven hundred and fifty thousand guilders, Netherland currency, nominal capital, which said charge of four and a half per cent. the last underwritten will bring in account to the Corporations for all expenses of petitioning, brokerage, registration dues, stamps, paper, printing, lawyers' fees, and all expenses whatsoever required for the creation of the Loan, including the commission of the last underwritten.

The subscription mentioned in the beginning of this Article, it is well understood, is a private subscription which the last underwritten will offer to such brokers and stock-dealers as they will see fit; and as it is probable that they will afterwards hold a public subscription day at a somewhat higher rate for account of the private subscribers, it is equally well understood, that whether such public subscription at a higher rate does actually succeed or not, such does in no manner concern or affect the Corporations who, after the last underwritten, will have declared that the private subscription has succeeded in manner aforesaid, will have thereby secured for the stock the price of ninety-six per cent. gross, or ninety-one and a half per cent net, always saving the final sanction of the King.

ARTICLE FIFTH.

The Corporations will proportionally be debited in account current for the amount of the bonds not immediately subscribed for, at the same periods as they will be credited in account current for the proceeds of the whole Loan

When these bonds so held for the Corporations will be disposed of, their proceeds will be carried by the last underwritten to the credit in account current of the Corporations proportionally.

ARTICLE SIXTH.

The last underwritten will credit the Corporations, proportionally for two per cent., returned commission on the nominal amount of those bonds that are not immediately

subscribed for, and they will not bring in that same charge of commission again until the bonds are actually disposed of.

There will be no further charge of brokerages, or any other further charge whatsoever made by the last underwritten for the sale and disposal of these bonds so held.

If these bonds can be sold higher than the subscription price, that benefit will of course be enjoyed by the Corporations.

ARTICLE SEVENTH.

If against expectation, the King having given his permission for the Loan, there should be made by the revenue claims for more registration, or higher stamps than such as stated in the law of thirty-first May, eighteen hundred and twenty-four—in that case the deduction for expenses stated in Article four will not be obligatory on the last underwritten—they having assumed the duty prescribed in said law in their calculations of expenses; and it will then be at the option of the first underwritten to allow, or not, the additional charge, to which the last underwritten will state themselves to be entitled; and if the first underwritten should not feel inclined to allow this extra charge, the whole of this, and of the Public Convention will thereby ipso facto be void and null.

ARTICLE EIGHTH.

The last underwritten are empowered to retain out of the last instalment the amount of three and three fourth per cent. on the three million seven hundred and fifty thousand guilders, Netherland currency, nominal amount of the Loan to meet the five per cent. interest for six months on one million eight hundred seventy-five thousand guilders, Netherland currency, that will be due the first July, eighteen hundred and thirty; and five per cent. for six months on three million seven hundred and fifty thousand guilders, Netherland currency, that will be due the first January, eighteen hundred thirty-one—leaving the first dividend warrant for which must be provided by remittance, that of the first July, eighteen hundred thirty one, and which will then be provided for by the dividends falling due in America, the first October, eighteen hundred and thirty, and the first January, eighteen hundred and thirty-one; saving always the obligation for the Corporations to provide in

course for the deficiency, if those dividends should prove insufficient.

As there will on this footing be ample time left for the provision to be made in Europe, the agent in the United States will be instructed by the last underwritten to manage the remittances to the most of the interest of the Corporations—having good care, however, to remit early enough that the remittances can be timely encashed previous to the days appointed for the payment of interest or capital. Allowing thus the remittances out of the October and April dividends to be managed most leisurely, while those so to be made out of the January and July dividends must be somewhat more urged.

ARTICLE NINTH.

In case of losses of, or on remittances, it is well understood, that the last underwritten will apply for replacing those remittances to the Branch Bank, or to such other intermediate agent as may be acting at the time, and that any charge for guarantee which may have to be paid on that account is to be borne by the Corporations all agreeably to Article twelve, of the Public Convention—this however in no case invalidating the primitive obligations of the Corporations.

In case of protested bills, or such like losses, there being no current opportunity here of drawing upon the United States, the last underwritten will consequently, in most cases, have to wait for other remittances to come forward; and if, in such cases, the last underwritten should, notwithstanding their being then perhaps not fully in cash for the payment next due, still determine to make such payment to preserve the honor of the Corporations, they will then charge in account current five per cent. interest per annum upon their cash advance, and be moreover entitled to charge an extra commission of one per cent. upon that said amount of their said uncovered cash advance.

ARTICLE TENTH.

The balances which will remain to the credit of the Corporations in January, eighteen hundred thirty and July, eighteen hundred thirty, may be drawn for, or disposed of by the Corporations as they will see fit.

As soon as the sanction of the King will be obtained, and the Loan finally closed for, the last underwritten will

give the needful advice to the Corporations, so they may immediately draw, which, if done directly, on the last underwritten will then entail no further expense whatever in Europe upon the Corporations.

ARTICLE ELEVENTH.

To facilitate however the drawing of the Corporations, the last underwritten will open credits on London and Paris. to be made use of by the Corporations as their convenience or interest may dictate—such credits to be at the risk and expense of the Corporations, unless the Corporations should wish that the last underwritten should run the risk and bear the expense ; in which case, and on the Corporations stating their wish to that effect to the last underwritten, the said last underwritten are willing to take all risks of the London and Paris houses, and of all bills to be remitted, and all expenses of bills, brokerages, and stamps, and commissions and postages, attending upon that circuitous drawing upon themselves, the said last underwritten, against a charge of one and a half per cent. on the final guilder amount of the proportion so circuitously drawn for, leaving in such cases only the variations of the exchange pro or contra, on account of the Corporations.

ARTICLE TWELFTH.

The last underwritten will be entitled to charge in account current to the Corporations one per cent. commission upon the amount, Netherland currency, of the interest, and one per cent. commission upon the amount, Netherland currency, of the reimbursement, at the time ; charging the same each time in the half yearly account current.

The last underwritten will likewise be entitled to charge in those half-yearly accounts current all actually paid expenses of postages, brokerages and stamps, on the remittances to be received from the Branch Bank, or other agent at the time, likewise cost of advertising and other similar small expenses, necessary for the due performance of the sundry obligations contracted by the Corporations during the running of this Loan, until it be finally liquidated and wound up.

In all which foregoing, the first underwritten has, in virtue of his full powers of attorney from his constituents, the Corporations of Washington, Georgetown, and Alexandria, firmly and truly bound by these presents his said

constituents, unto the last underwritten ; and have the last underwritten equally firmly bound themselves by these presents unto the first underwritten in his said capacity, for the due and correct performance of their part of this Convention ; in witness whereof, they have respectively set hereunto their hands and seals, viz : the first underwritten in London, on the thirtieth day of October, eighteen hundred and twenty nine, and the last underwritten in Amsterdam, on the second day of November, eighteen hundred and twenty nine, and has the present deed been made in ten copies, all of one tenor and date.

RICHARD RUSH. [L. s.]

Signed, sealed, and delivered by RICHARD RUSH, }
In the presence of—

WM. HOLLOWAY,
ROBT. LITHGOW.

DANIEL CROMMELIN & SONS. [L. s.]

Signed, sealed, and delivered by DANIEL CROM- }
MELIN & SONS,—In the presence of—

R. DANIEL WOLTERBECK,
RICHD. HAIGHTON.

WHEREAS, two Conventions have been passed between the underwritten for the loan of f 3,750,000 ; raised in Amsterdam by the last underwritten as agent for the Corporations of Washington, Georgetown, and Alexandria—the purpose of the present is solemnly to declare and certify to all whom it may concern, that no clause or arrangement, made in, or by, any one, or both, of the said conventions, whatever technical difficulty or objection, or whatever inference generally it might now, or in future, be possible to draw from such clause or arrangement—has been, or is intended to come within the exemption mentioned in section seven of the act of Congress of the twenty-fourth May, eighteen hundred and twenty eight, entitled “An act to enlarge the powers of the several Corporations of the District of Columbia, and for other purposes ;” but, that the said loan is in good faith meant and intended to all intents and purposes to be, and is considered as being, in conformity in all, and in every respect with the provisions of the said act of Congress, and as being based upon it—the lenders of the said loan for f 3,750,000, having lent the said sum

of money under, and upon the strength of, the pledged protection of the said act of the Congress of the United States; and has this affidavit been attached to every one of the sets of the aforesaid conventions, fully and at all times to substantiate the true meaning of both contracting parties, who, in testimony thereof, have hereunto set their hands and seals.

DANIEL CROMMELIN & SONS. [L. s.]

Signed, sealed, and delivered, in the presence of—

R. DANIEL WOLTERBECK,
RICHD. HAIGHTON.

RICHARD RUSH. [L. s.]

Signed, sealed, and delivered, in the presence of

WM. HOLLOWAY,
ROBT. LITHGOW.

LIST OF CERTIFICATES OF FUNDED DEBT

Created by the Corporations of the City of Washington and the Towns of Georgetown and Alexandria, all in the District of Columbia, in the United States of America, in pursuance of and under an act of Congress, of the 24th May, 1828, thereunto authorizing the said Corporations, and which certificates having been created and signed in blank by the Officers of the said Corporations, have been filled up and completed in Europe, according to the terms of the Conventions hereunto annexed passed between Richard Rush, Esq. in his capacity of specially empowered Agent of the said Corporations, and Daniel Crommelin & Sons, merchants of Amsterdam, under date of the 30th October, 1829, in London, and of the 2nd November, 1829, in Amsterdam, the said Conventions relating to the Loan for \$3,750,000, Netherland Currency, made by Daniel Crommelin & Sons, on account of and for the said Corporations upon their said certificates;—and all which said certificates are and remain deposited in Amsterdam, with a public notary and under safe keeping of the acting Trustees, at the time for the said loan, until the successive reimbursement, in Amsterdam, of the guilder bonds issued for the Corporations by Daniel Crommelin & Sons. The present list being made for the purpose of being deposited with the Honorable the Secretary of the Treasury of the United States, the interest and reimbursement that will accrue upon the said certificates being payable at the said Treasury of the United States, under and agreeably to the aforementioned act of Congress, of the 24th May, 1828.

List of the Certificates created by the Corporation of the City of Washington.

The certificates of the City of Washington are all made due to the Trustees for the Proprietors of this stock, being Messieurs M. C. Van Hall, E. T. Koch, G. D. Crommelin and C. D. Crommelin, who in case of demise or wish to retire are to be replaced by successive assumption before notary, whereof due notice will then be given to the Treasury, all as fully detailed in the hereunto annexed Conventions. They are all made to bear interest from the first day of July, eighteen hundred and thirty. They are all made to bear interest at the rate of five and one-half per centum per annum, payable quarterly, at the Treasury of the United States of America, under the act of Congress, of the 24th May, 1828. The further particulars are as stated here under:

NUMBER OF THE CERTIFICATES, ALL DATED 10 APRIL, 1829.	Number of Certificates of the same amount.	Reimbursable when.	Amount of each Certificate.	Aggregate amount of the corresponding number of Certificates.	Sums total for addition.	Dates upon which the sums total are reimbursable in the United States.
1 to 20. Say, from one to twenty.	20	1 Jan. 1841	2000	40000	\$40000	1 Jan. 1841
21 to 40. Say, from twenty-one to forty.	20	1 Jan. 1842	2000	40000	40000	1 Jan. 1842
41 to 60. Say, from forty-one to sixty.	20	1 Jan. 1843	2000	40000	40000	1 Jan. 1843
Brought forward,					\$120000	

Continuation of the List of Washington Certificates.

NUMBER OF THE CERTIFICATES, ALL DATED 10 APRIL, 1829.	Number of Certificates of the same amount.	Reimbursable when.	Amount of each Certificate.	Aggregate amount of the corresponding number of Certificates.	Sums total for addition.	Dates upon which the sums total are reimbursable in the United States.
61 to 80. Say, from sixty-one to eighty.	20	1 Jan. 1844	2000	40000	\$120000 40000	1 Jan. 1844
81 to 100. Say, from eighty-one to one hundred	20	1 Jan. 1845	2000	40000	40000	1 Jan. 1845
101 to 120. Say, from one hundred and one to one hundred and twenty.	20	1 Jan. 1846	2000	40000	40000	1 Jan. 1846
121 to 140. Say, from one hundred and twenty-one to one hundred and forty.	20	1 Jan. 1847	2000	40000	40000	1 Jan. 1847
141 to 160. Say, from one hundred and forty-one to one hundred and sixty.	20	1 Jan. 1848	2000	40000	40000	1 Jan. 1848
161 to 167. Say, from one hundred and sixty-one to one hundred and sixty-seven.	7	1 Jan. 1849	2000	14000	} 40000	1 Jan. 1849
168 to 193. Say, from one hundred and sixty-eight to one hundred and ninety-three	26	1 Jan. 1849	1000	26000		
194 to 233. Say, from one hundred and ninety-four to two hundred and thirty-three.	40	1 Jan. 1850	1000	40000	40000	1 Jan. 1850
234 to 273. Say, from two hundred and thirty-four to two hun- dred and seventy-three.	40	1 Jan. 1851	1000	40000	40000	1 Jan. 1851
274 to 313. Say, from two hundred and seventy-four to three hun- dred and thirteen.	40	1 Jan. 1852	1000	40000	40000	1 Jan. 1852
Brought forward,					\$480000	

Continuation of the List of Washington Certificates.

NUMBER OF THE CERTIFICATES, ALL DATED 10 APRIL, 1829.	Number of Certificates of the same amount.	Reimbursable when.	Amount of each Certificate.	Aggregate amount of the corresponding number of Certificates.	Sums total for addition.	Dates upon which the sums total are reimbursable in the United States.
314 to 353. Say, from three hundred and fourteen to three hun- dred and fifty-three.	40	1 Jan. 1853	1000	40000	40000	1 Jan. 1853
354 to 393. Say, from three hundred and fifty-four to three hun- dred and ninety-three	40	1 Jan. 1854	1000	40000	40000	1 Jan. 1854
394 to 433. Say, from three hundred and ninety-four to four hun- dred and thirty-three	40	1 Jan. 1855	1000	40000	40000	1 Jan. 1855
434 to 473. Say, from four hundred and thirty-four to four hun- dred and seventy-three.	40	1 Jan. 1856	1000	40000	40000	1 Jan. 1856
474 to 500. Say, from four hundred and seventy-four to five hundred.	27	1 Jan. 1857	1000	27000	40000	1 Jan. 1857
501 to 526. Say, from five hundred and one to five hundred and twenty-six.	26	1 Jan. 1857	500	13000		
527 to 606. Say, from five hundred and twenty-seven to six hun- dred and six.	80	1 Jan. 1858	500	40000	40000	1 Jan. 1858
607 to 686. Say, from six hundred and seven to six hundred and eighty-six.	80	1 Jan. 1859	500	40000	40000	1 Jan. 1859
687 to 766. Say, from six hundred and eighty-seven to seven hun- dred and sixty-six.	80	1 Jan. 1860	500	40000	40000	1 Jan. 1860
767 to 846. Say, from seven hundred and sixty-seven to eight hundred and forty-six.	80	1 Jan. 1861	500	40000	40000	1 Jan. 1861
Brought forward,					\$840000	

Continuation of the List of Washington Certificates.

NUMBER OF THE CERTIFICATES, ALL DATED 10 APRIL, 1829.	Number of Certificates of the same amount.	Reimbursable when.	Amount of each Certificate.	Aggregate amount of the corresponding number of Certificates.	Sums total for addition.	Dates upon which the sums total are reimbursable in the United States.
847 to 926. Say, from eight hundred and forty-seven to nine hundred and twenty-six.	80	1 Jan. 1862	500	40000	Carried over, \$840000 40000	1 Jan. 1862
927 to 1006. Say, from nine hundred and twenty-seven to one thousand and six.	80	1 Jan. 1863	500	40000	40000	1 Jan. 1863
1007 to 1086. Say, from one thousand and seven to one thousand and eighty-six.	80	1 Jan. 1864	500	40000	40000	1 Jan. 1864
1087 to 1166. Say, from one thousand and eighty-seven to eleven hundred and sixty-six.	80	1 Jan. 1865	500	40000	40000	1 Jan. 1865
Sum total, \$					1000000	

Say in all eleven hundred and sixty-six certificates,
amounting together to one million dollars.

As witness our hands.

DANIEL CROMMELIN & SONS.
RICHARD RUSH.

The following Letter from Mr. Rush to Mr. Gales, although not written from Europe as part of the report respecting the negotiation, is nevertheless deemed proper for insertion from its connection with the general subject.

Mr. Rush to Joseph Gales, Jun. Mayor of the City of Washington.

WASHINGTON, January 29, 1830.

SIR :

Having heretofore drawn your attention to what the Messieurs Crommelins had stated respecting Mr. Willinck and the Messieurs Hope, in connexion with the District loan, it is proper that I should lay before you the enclosed extract of a letter from the latter gentleman to one of the house of Messrs. Baring upon this subject. It did not get to my hands until I had stepped on ship-board at Liverpool on the 16th of December, and I avail myself of this earliest opportunity since reaching this city, to send it to you.

The reason why I did not make an application to the Messrs. Hopes respecting the loan, as intimated by them, will probably be inferred from the tenor of their extract, viz. an anticipation that it would not have met with favor in their eyes.

I have the honor to remain,

With great respect, &c. &c. &c.

RICHARD RUSH.

JOS. GALES, Jr. Esq. Mayor of Washington.

Extract of a Letter from Messieurs Hope of Amsterdam, to one of the firm Messrs. of Baring of London, dated Amsterdam, December 11, 1829.

“ We consider, as a proof of real friendship, your remarks about an erroneous impression Mr. Rush seems to have received, that we have been industriously opposing ourselves to the District of Columbia loan: you were quite right in contradicting the fact. It is our constant rule never to oppose any business set on foot by one of our neighbors; and we believe that the principles of our house are in this respect well known enough; and certainly we should never think of doing so towards Messrs. Crommelins, a house with which we have been constantly upon an amicable footing, and for which we have all the esteem due to their respectability and honorable character. It is true that we did not rank among the subscribers for that loan, and this is we believe the same case with our confidential agent for stock transactions. It is likewise true that we said to some confidential friends, that we were not enough acquainted with the financial resources of the three cities to encourage an investment of that description, and that the circumstance of the loan having been attempted in the United States without success, itself did not speak in favor of it. And all this we should have said to Mr. Rush himself had he done us the honor, during his stay here, to converse with us on the subject. It is very possible that from ignorance we are mistaken, and that the financial resources of the three cities are over abundant; but we believe that by saying so we have not acted beyond a free discussion which we believe to be permitted on subjects of general interest. It is moreover true, that on hearing the report (the correctness of which we have not been enabled to ascertain) that four Stock-brokers had obtained their share in the loan at 96 per cent. while the general subscription price 98¹. We did say that this appeared to be an objectionable mode of proceeding, but the whole is confined to simple private conversation; whether this has been misrepresented we do not know, but we can give most positive assurance that on our part nothing more has been done in a concern the success of which we are far from opposing. A few of our correspondents wrote us about the said loan after it had been already taken by the public,

and we replied in substance what we have just expressed. The esteem of a man of such eminent character as Mr. Rush being of too much importance for us, you will oblige us most essentially by communicating to him the contents of the present."

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N. MANCHESTER



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